

**CLAYTON STATE UNIVERSITY
FOUNDATION, INC.**

COMBINED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

With Independent Auditor's Report Thereon

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
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JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Clayton State University Foundation, Inc.
Morrow, Georgia

Opinion

We have audited the accompanying combined financial statements of the Clayton State University Foundation, Inc. ("Foundation") and affiliates, which comprise the combined statements of financial position as of June 30, 2023 and 2022 and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Clayton State University Foundation, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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 combined 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 combined 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 Foundation'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Fulton + Kyzek, LLC

Morrow, Georgia
August 30, 2023

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
 COMBINED STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
ASSETS		
Cash	\$ 5,343,805	\$ 4,704,331
Restricted cash for bond repayments	7,002,827	9,710,640
Short-term investments	2,163,765	2,712,479
Investments held on behalf of related party	1,763,987	1,710,751
Bateman student loan	56,509	73,683
Promises to give, net	840,436	367,004
Prepaid expenses	2,502	2,502
Property and equipment, net	9,965,066	8,074,925
Investment in direct financing lease	55,968,578	58,053,076
Long-term investments	<u>13,689,041</u>	<u>11,809,239</u>
 TOTAL ASSETS	 <u>\$ 96,796,516</u>	 <u>\$ 97,218,630</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ -	\$ 355,326
Accrued expenses	16,985	3,166
Accrued interest	1,278,669	1,325,844
Due to related party	1,763,987	1,710,751
Bonds payable	<u>65,333,310</u>	<u>67,767,093</u>
 TOTAL LIABILITIES	 68,392,951	 71,162,180
NET ASSETS		
Without donor restrictions		
Undesignated	<u>8,488,902</u>	<u>8,161,286</u>
Total net assets without donor restrictions	8,488,902	8,161,286
With donor restrictions		
Restricted by purpose or time	9,453,901	8,271,303
Restricted in perpetuity	<u>10,460,762</u>	<u>9,623,861</u>
Total net assets with donor restrictions	<u>19,914,663</u>	<u>17,895,164</u>
 TOTAL NET ASSETS	 <u>28,403,565</u>	 <u>26,056,450</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 96,796,516</u>	 <u>\$ 97,218,630</u>

The accompanying notes are an integral part of these financial statements.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
 COMBINED STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, losses and other support			
Dividends and interest revenue	\$ 3,061,480	\$ 401,334	\$ 3,462,814
Contributions	1,108,072	1,333,479	2,441,551
Rental revenue	1,078,955	-	1,078,955
Net unrealized gain on investments	-	789,125	789,125
In-kind donations	85,731	-	85,731
Other revenue	14,208	-	14,208
Net realized loss on investments	<u>-</u>	<u>(25,158)</u>	<u>(25,158)</u>
Revenues, gains, losses and other support	5,348,446	2,498,780	7,847,226
Net assets released from restriction	<u>479,281</u>	<u>(479,281)</u>	<u>-</u>
Total revenues, gains, losses and other support	<u>5,827,727</u>	<u>2,019,499</u>	<u>7,847,226</u>
Expenses			
Program services			
Interest expense	2,273,553	-	2,273,553
Student housing	1,053,398	-	1,053,398
Scholarships	793,395	-	793,395
Depreciation	334,693	-	334,693
Travel and meetings	219,103	-	219,103
In-kind expenses	85,731	-	85,731
Eminent scholar	21,700	-	21,700
Student honors and recognition	21,601	-	21,601
Insurance	<u>3,721</u>	<u>-</u>	<u>3,721</u>
Total program services	<u>4,806,895</u>	<u>-</u>	<u>4,806,895</u>
Supporting services			
Professional services	325,778	-	325,778
Supplies and services	312,986	-	312,986
Events	<u>54,452</u>	<u>-</u>	<u>54,452</u>
Total supporting services	<u>693,216</u>	<u>-</u>	<u>693,216</u>
Total expenses	<u>5,500,111</u>	<u>-</u>	<u>5,500,111</u>
Total change in net assets	327,616	2,019,499	2,347,115
Net assets at beginning of year	<u>8,161,286</u>	<u>17,895,164</u>	<u>26,056,450</u>
Net assets at end of year	<u>\$ 8,488,902</u>	<u>\$ 19,914,663</u>	<u>\$ 28,403,565</u>

The accompanying notes are an integral part of these financial statements.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
 COMBINED STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restriction	With Donor Restriction	Total
Revenues, gains, losses and other support			
Dividends and interest revenue	\$ 3,066,776	\$ 277,357	\$ 3,344,133
Contributions	-	2,691,167	2,691,167
Rental revenue	563,639	-	563,639
Net unrealized loss on investments	-	(2,432,278)	(2,432,278)
In-kind donations	87,957	-	87,957
Other revenue	82,193	-	82,193
Net realized gain on investments	-	681,781	681,781
Revenues, gains, losses and other support	3,800,565	1,218,027	5,018,592
Net assets released from restriction	1,882,587	(1,882,587)	-
Total revenues, gains, losses and other support	5,683,152	(664,560)	5,018,592
Expenses			
Program services			
Interest expense	2,906,479	-	2,906,479
Student housing	1,274,027	-	1,274,027
Scholarships	800,496	-	800,496
Depreciation	334,693	-	334,693
Travel and meetings	153,387	-	153,387
In-kind expenses	109,063	-	109,063
Eminent scholar	19,000	-	19,000
Student honors and recognition	87,824	-	87,824
Insurance	4,068	-	4,068
Grants and honorariums	102,534	-	102,534
Other	100,697	-	100,697
Total program services	5,892,268	-	5,892,268
Supporting services			
Professional services	454,452	-	454,452
Supplies and services	243,293	-	243,293
Events	262,175	-	262,175
Total supporting services	959,920	-	959,920
Total expenses	6,852,188	-	6,852,188
Total change in net assets from operations	(1,169,036)	(664,560)	(1,833,596)
Gain on retirement of bonds	8,360,657	-	8,360,657
Total change in net assets	7,191,621	(664,560)	6,527,061
Net assets at beginning of year	969,665	18,559,724	19,529,389
Net assets at end of year	\$ 8,161,286	\$ 17,895,164	\$26,056,450

The accompanying notes are an integral part of these financial statements.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
 COMBINED STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,347,115	\$ 6,527,061
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized (gain) loss on investments	(789,125)	2,432,278
Realized loss (gain) on sale of investments	25,158	(681,781)
Amortization of debt issuance costs and bond premium	(283,785)	1,468
Depreciation	334,693	334,693
Changes in operating assets and liabilities		
(Increase) Decrease in promises to give, net	(473,432)	4,611
Decrease (Increase) in Bateman student loan	17,174	(738)
Decrease in investment in direct financing lease	2,084,498	1,990,354
(Decrease) Increase in accounts payable	(355,326)	355,326
Increase (Decrease) in accrued expenses	13,819	(5,000)
Decrease in accrued interest	(47,175)	(36,944)
Decrease in deferred revenue	<u>-</u>	<u>(8,360,657)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,873,614	2,560,671
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	1,208,380	5,211,054
Purchases of investments	(1,775,501)	(5,871,057)
Purchases of fixed assets	<u>(2,224,834)</u>	<u>(1,770,268)</u>
NET CASH USED IN INVESTING ACTIVITIES	(2,791,955)	(2,430,271)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on bonds and note payable	<u>(2,149,998)</u>	<u>(27,440,000)</u>
NET CASH USED IN FINANCING ACTIVITIES	(2,149,998)	(27,440,000)
NET CHANGE IN CASH	(2,068,339)	(27,309,600)
CASH AT BEGINNING OF YEARS	<u>14,414,971</u>	<u>41,724,571</u>
CASH AT END OF YEARS	<u>\$ 12,346,632</u>	<u>\$ 14,414,971</u>
SUPPLEMENTARY DISCLOSURE:		
Cash paid for interest	<u>\$ 2,604,513</u>	<u>\$ 2,281,880</u>

The accompanying notes are an integral part of these financial statements.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. ORGANIZATION

Clayton State University Foundation, Inc. (the “Foundation”) was incorporated under the laws of the State of Georgia on September 24, 1974, for the purpose of providing scholarships and other assistance for the advancement of students, staff and Clayton State University.

The Foundation is a non-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Resources for the Foundation’s activities are primarily provided by contributions and investment income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying combined financial statements follows.

Principles of combination

The accompanying combined financial statements include the accounts of the Clayton State University Foundation, Inc., CSU Foundation Real Estate I, LLC (“CSUFRE1”), CSU Foundation Real Estate II, LLC (“CSUFRE2”), and CSU Foundation Real Estate III, LLC (“CSUFRE3”). CSUFRE1 constructed a student housing and a student activity center at Clayton State University. CSUFRE2 purchased student housing for use by Clayton State University. CSUFRE3 is financing repairs to student housing in CSUFRE2. All significant intercompany transactions and balances have been eliminated. In September 2021, CSUFRE3 was dissolved.

Basis of accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The Foundation classifies its net assets and revenues and expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of accounting (continued)

resources be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all of the revenue earned on the related investments for general or specific purposes. Donor-imposed restrictions are released when restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions received are recorded as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the combined statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Cash and cash equivalents

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three month or less to be cash equivalents. For the years ended June 30, 2023 and 2022, the Foundation had no cash equivalents.

Investments

Investments in equity and debt securities are reported at fair value with realized and unrealized gains and losses included in the combined statement of activities.

Promises to give

Unconditional promises to give involve fair value measurement only upon initial recognition. Unconditional promises to give, which are expected to be received in future years, are recorded at the present value of their estimated future cash flows using discount rates approximating the rate of return on U.S. government securities with similar maturities. Amortization of the discount is included in contribution revenue. The Foundation provides for an allowance for doubtful receivables based on donor reputation and past giving history.

Use of estimates

Management of the Foundation makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and equipment

Property, improvements, and equipment are carried at cost if purchased, or if donated, at fair value on the date of donation. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 25 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term.

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the combined statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Recently adopted accounting guidance

ASU No. 2016-02 Leases (Topic 842)

FASB issued ASU 2016-02, Leases (Topic 842), which will require organizations to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. ASU No. 2020-05 delayed the application of the new leases standard for one year. For the year ending June 30, 2023, the Foundation adopted ASU 2016-02 and has adjusted the presentation in these combined financial statements accordingly. This adjustment did not have an effect on the combined financial statements for 2023 and 2022.

ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets

The ASU requires that an NFP increase the transparency through enhancements to financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. For the year ending June 30, 2023, the Foundation adopted ASU 2020-07 on a retrospective basis and has adjusted the presentation in these consolidated financial statements accordingly. This adjustment did not have a material impact on the combined financial statements for 2023 and 2022.

Functional allocation of expenses

The combined financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses including office expenses, professional fees, professional development, postage, printing, insurance and depreciation, which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “IRC”) whereby only unrelated business income, as defined by Section 512(a)(1) of the IRC is subject to federal income tax. The Foundation is also a nonprivate foundation under 509(a)(1) of the IRC. The Foundation had no income from unrelated activities and has no income taxes due as of June 30, 2023.

The Foundation’s application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes the Foundation has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. The Foundation would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. The Foundation is no longer subject to examination by federal, state or local tax authorities for periods before 2020.

Subsequent events

Subsequent events have been evaluated through August 30, 2023, which is the date the financial statements were available to be issued.

3. PROMISES TO GIVE, NET

Unconditional promises to give at June 30, 2023 and 2022 are as follows:

Expected to be collected in:	2023	2022
Less than one year	\$ 591,300	\$ 346,808
More than one year	<u>249,136</u>	<u>20,196</u>
Total	<u>\$ 840,436</u>	<u>\$ 367,004</u>

Management believes that all receivables are collectible, therefore an allowance has not been calculated. The effective interest rates used to discount the promises to give was 4.5% and 1.5% for years ended June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, the discount on the long-term promises to give was \$10,864 and \$304, respectively.

4. CONCENTRATION OF CREDIT RISK

Concentration of Cash Balances

The Foundation maintains its funds with a financial institution that insures cash balances up to \$250,000 through the Federal Deposit Insurance Corporation. As of June 30, 2023, the Foundation held funds of \$11,096,632 that exceeded the insured limits. The Foundation performs on-going evaluations of the financial institution to limit its concentration of credit risk exposure. The Foundation has not experienced any losses in such accounts and management believes The Foundation is not exposed to any significant credit risk related to cash.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

5. PROPERTY AND EQUIPMENT

Property and Equipment at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Improvements	\$ 8,266,173	\$ 8,266,173
Construction in progress	3,995,102	1,770,268
Accumulated depreciation	<u>(2,296,209)</u>	<u>(1,961,516)</u>
Property and equipment, net	<u>\$ 9,965,066</u>	<u>\$ 8,074,925</u>

6. INVESTMENTS

Investments at June 30, 2023 are recorded at fair value and are comprised of the following:

	Cost	Fair Value
Short-term investments:		
Board of Regents pooled investment funds	\$ 2,231,236	\$ 2,163,765
Long-term investments:		
Board of Regents pooled investment funds	12,903,240	13,364,541
Long-term investments:		
Real estate	<u>324,500</u>	<u>324,500</u>
	<u>\$15,458,976</u>	<u>\$15,852,806</u>

Investments at June 30, 2022 are recorded at fair value and are comprised of the following:

	Cost	Fair Value
Short-term investments:		
Board of Regents pooled investment funds	\$ 2,773,104	\$ 2,712,479
Long-term investments:		
Board of Regents pooled investment funds	11,715,828	11,484,739
Long-term investments:		
Real estate	<u>324,500</u>	<u>324,500</u>
	<u>\$14,813,432</u>	<u>\$14,521,718</u>

Investment fees for the years ended June 30, 2023 and 2022 totaled \$17,588 and \$16,762, respectively, and are netted with the unrealized losses and gains in the accompanying Combined Statements of Activities.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS

The Foundation has adopted the provisions of Accounting Standards Codifications 820 (“ASC 820”), Fair Value Measurements, for financial assets and liabilities. Under ASC 820, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

The following table summarized the Foundation’s financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2023:

	Total	Level 1	Level 2	Level 3
Board of Regents Pooled				
Investment Funds				
Diversified fund	\$12,470,891	\$12,470,891	\$ -	\$ -
Balanced income	893,650	893,650	-	-
Short term	2,163,765	2,163,765	-	-
Commercial real estate	<u>324,500</u>	<u>-</u>	<u>324,500</u>	<u>-</u>
	<u>\$15,852,806</u>	<u>\$15,528,306</u>	<u>\$ 324,500</u>	<u>\$ -</u>

A portion of the commercial real estate’s value is based on the appraisal that was conducted as of June 30, 2012. The balance consists of real estate donated to the Foundation as of June 30, 2023.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS - Continued

The following table summarized the Foundation's financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2022:

	Total	Level 1	Level 2	Level 3
Board of Regents Pooled				
Investment Funds				
Diversified fund	\$10,593,800	\$10,593,800	\$ -	\$ -
Balanced income	890,939	890,939	-	-
Short term	2,712,479	2,712,479	-	-
Commercial real estate	<u>324,500</u>	<u>-</u>	<u>324,500</u>	<u>-</u>
	<u>\$14,521,718</u>	<u>\$14,197,218</u>	<u>\$ 324,500</u>	<u>\$ -</u>

A portion of the commercial real estate's value is based on the appraisal that was conducted as of June 30, 2012. The balance consists of real estate donated to the Foundation as of June 30, 2022.

8. NET ASSETS

Net assets with donor restrictions were available for the following purposes at June 30, 2023 and 2022:

	2023	2022
Subject to expenditures for specific purpose:		
Scholarships	\$ 4,769,249	\$ 3,974,174
Various other	4,184,652	3,797,129
Salary supplements	<u>500,000</u>	<u>500,000</u>
	9,453,901	8,271,303
Subject to restriction in perpetuity:		
Corpus	<u>10,460,762</u>	<u>9,623,861</u>
Total net assets with donor restrictions	<u>\$ 19,914,663</u>	<u>\$ 17,895,164</u>

Net assets subject to restriction in perpetuity include \$530,238 for the Charles S Conklin II trust for the years ended June 30, 2023 and 2022.

Net assets with donor restrictions released from restrictions were as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Scholarships	\$ 275,786	\$ 1,882,587
Various other	<u>203,495</u>	<u>-</u>
Total released from restrictions	<u>\$ 479,281</u>	<u>\$ 1,882,587</u>

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

9. BONDS PAYABLE

Series 2017 Refunding Revenue Bonds

During the year ended June 30, 2018, the Foundation refunded the Series 2007 Revenue Bonds with the issue of the Series 2017 Refunding Revenue Bonds.

On January 1, 2018, the Foundation through its subsidiary CSUFRE1 issued Series 2017 refunding revenue bonds in the face value amount of \$36,735,000. The proceeds of the Series 2017 Bonds were applied to (a) refund all or a portion of the outstanding Development Authority of Clayton County Student Housing and Activity Center Revenue Bonds, Series 2007; and (b) pay certain costs of issuing the Series 2017 Bonds.

CSUFRE1 has entered into ground leases for the student activities center and the student housing with Clayton State University (“CSU”). CSUFRE1 shall cause CSU to pay Rents under the Rental Agreement as follows: CSU shall pay the amount needed for Debt Service (less any amounts available in the Capitalized Interest Account, the Bond Fund or the Debt Service Reserve Fund to pay Debt Service) directly to the Trustee for deposit in the Bond Fund. CSUFRE1 shall cause CSU to pay the amount needed for the Replacement Requirement directly to the Trustee for deposit in the Replacement Fund. CSUFRE1 shall cause CSU to pay the remainder of the Rents to CSUFRE1, and CSUFRE1 shall use such moneys to pay (i) the fees and expenses of the Foundation, (ii) the Board of Regents’ fee, (iii) the Trustee’s fee, (iv) fees of the Rating Agencies and (v) any other amounts owed by CSUFRE1 with respect to the Project.

Annual maturities for the bonds are set forth below:

<u>Year ending</u>	<u>Future Debt Service Required</u>	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,365,000	\$ 1,296,094
2025	1,320,000	1,227,844
2026	1,400,000	1,175,044
2027	1,495,000	1,105,044
2028	1,545,000	1,030,294
thereafter	<u>24,555,000</u>	<u>5,857,138</u>
	31,680,000	11,691,458
Bond premium	2,301,912	-
Issuance costs	<u>(1,463,442)</u>	-
Total	<u>\$ 32,518,470</u>	<u>\$ 11,691,458</u>

Interest is payable semi-annually on January 1st and July 1st of each year. The bonds have interest rates that vary with their principal maturity. All bonds are callable by CSUFRE1 without penalty prior to their scheduled maturity date under certain conditions. Management believes that it has complied with all bond covenants as of June 30, 2023 and 2022.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

9. BONDS PAYABLE – Continued

Series 2021 Revenue Bonds

During the year ended June 30, 2021, the Foundation refunded the Series 2011 Revenue Bonds with the issue of Series 2021 Refunding Revenue Bonds.

On April 21, 2021, the Foundation through its subsidiary CSUFRE2 issued Series 2021 refunding revenue bonds in the face value amount of \$29,755,000. The proceeds of the Series 2021 Bonds were applied to (a) pay off note payable with SunTrust Bank through its subsidiary CSUFRE3; and (b) refund all of the outstanding Development Authority of Clayton County Student Housing Revenue Bonds, Series 2011.

CSUFRE2 has entered into a ground lease and rental agreement for the student housing with the Board of Regents of the University System of Georgia (“Board of Regents”). CSUFRE2 shall cause the Board of Regents to pay Rents under the Rental Agreement assuming the Board of Regents exercises each of its annual renewal options. CSUFRE2 expects the semi-annual rental payments will be sufficient to pay the principal and interest on the Series 2021 Bonds when due. Pursuant to the Rental Agreement, the Board of Regents has agreed to pay insurance, taxes, maintenance and repair costs of Clayton Station Apartments to the extent the funds on deposit in CSUFRE2’s are insufficient, provided the obligation to pay such costs is limited to the moneys budgeted by the Clayton State University in each fiscal year for such purpose.

Annual maturities for the bonds are set forth below:

<u>Year ending</u>	<u>Future Debt Service Required</u>	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 875,000	\$ 1,261,244
2025	920,000	1,217,494
2026	965,000	1,171,494
2027	1,010,000	1,123,244
2028	1,065,000	1,072,744
thereafter	<u>23,650,000</u>	<u>8,382,572</u>
	28,485,000	14,228,792
Bond premium	4,913,054	-
Issuance costs	<u>(583,214)</u>	-
Total	<u>\$ 32,814,840</u>	<u>\$ 14,228,792</u>

Interest is payable semi-annually on December 1st and June 1st of each year. The bonds have interest rates that vary with their principal maturity. All bonds are callable by the CSUFRE2 without penalty prior to their scheduled maturity date under certain conditions. Management believes that it has complied with all bond covenants as of June 30, 2023 and 2022.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

9. BONDS PAYABLE – Continued

Series 2011 Revenue Bonds

On July 1, 2021, the Foundation fulfilled its obligations on the Series 2011 Revenue Bonds. This resulted in a gain on retirement of bonds of \$8,360,657, which is included on the Combined Statement of Activities for the year ended June 30, 2022.

10. LEASING ARRANGEMENTS

Series 2017 Student Housing

In connection with the Series 2007 Bonds, the Foundation entered into a leasing arrangement, which was amended with the issuance of the Series 2017 Refunding Revenue Bonds.

Ground Lease

The Foundation leases land on the CSU campus from the Board of Regents on which to construct new Student Housing under a lease dated August 15, 2007 for a nominal amount. The ground lease is for a construction term commencing upon execution of the lease and continuing until the first day of the month after issuance of a certificate of occupancy, followed by a primary term for a period of 30 years. The certificate of occupancy was issued in August 2008 and the primary term commenced on September 1, 2008. Use of the land and building reverts back to the Board of Regents at the end of the lease term.

Facility Rental

The organization entered into a Rental Agreement with the Board of Regents on August 15, 2007, pursuant to which the Board of Regents agreed to lease the Student Housing from the Foundation. The initial term of the Rental Agreement commenced on the first day of the first month after the issuance of the certificate of occupancy and ended on June 30, 2009. The Board of Regents has the option to renew the Rental Agreement following the initial term on a year-to-year basis for thirty (30) consecutive years. In the event of such annual renewals; the Board of Regents will pay a fixed annual rent. The certificate of Occupancy was issued in August 2008 and the initial terms commenced on September 1, 2008. At June 30, 2023, the Board of Regents has exercised its renewal option for the period from July 1, 2023 through June 30, 2024.

The lease is included in the Foundation's balance sheet as an Investment in Direct Financing Lease based on the costs to construct the building. The balance of the minimum lease payments and the unearned income decrease by the straight-line method over the life of the lease. The components of the net investment in the direct financing lease as of June 30, 2023 are as follows:

Minimum lease payment receivable	\$ 24,836,321
Less unearned income	<u>(9,764,832)</u>
Net investment in direct financing lease	<u>\$ 15,071,489</u>

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

10. LEASING ARRANGEMENTS – Continued

Series 2017 Student Activities Center

In connection with the Series 2007 Bonds, the Foundation entered into a leasing arrangement, which was amended with the issuance of the Series 2017 Refunding Revenue Bonds.

Ground Lease

The Foundation leases land on the CSU campus from the Board of Regents on which to construct new Student Activities Center under a lease dated August 15, 2007 for a nominal amount. The ground lease is for a construction term commencing upon execution of the lease and continuing until the first day of the month after issuance of a certificate of occupancy, followed by a primary term for a period of 30 years. The certificate of occupancy was issued in August 2008 and the primary term commenced on September 1, 2008. Use of the land and building reverts back to the Board of Regents at the end of the lease term.

Facility Rental

The Foundation entered into a Rental Agreement with the Board of Regents on August 15, 2007, pursuant to which the Board of Regents agreed to lease the Student Activities Center from the Foundation. The initial term of the Rental Agreement commenced on the first day of the first month after the issuance of the certificate of occupancy and ended on June 30, 2009. The Board of Regents has the option to renew the Rental Agreement following the initial term on a year-to-year basis for thirty (30) consecutive years. In the event of such annual renewals; the Board of Regents will pay a fixed annual rent. The certificate of Occupancy was issued in August 2008 and the initial terms commenced on September 1, 2008. At June 30, 2023, the Board of Regents has exercised its renewal option for the period from July 1, 2023 through June 30, 2024.

The lease is included in the Foundation's balance sheet as an Investment in Direct Financing Lease based on the costs to construct the building. The balance of the minimum lease payments and the unearned income decrease by the straight-line method over the life of the lease. The components of the net investment in the direct financing lease as of June 30, 2023 are as follows:

Minimum lease payment receivable	\$ 24,709,686
Less unearned income	<u>(11,422,597)</u>
Net investment in direct financing lease	<u>\$ 13,287,089</u>

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

10. LEASING ARRANGEMENTS – Continued

Series 2021 Student Housing

In connection with the Series 2021 Bonds, the Foundation entered into the following leasing arrangements:

Ground Lease

The Foundation leases land on the CSU campus from the Board of Regents on which to operate and maintain student housing facilities containing approximately 854 beds and site amenities under a lease dated June 29, 2011 for a nominal amount. The ground lease is for a term commencing on June 29, 2011 as amended on April 21, 2021 and will end on June 30, 2042, a primary term for a period of 31 years. Use of the land and building reverts back to the Board of Regents at the end of the lease term.

Facility Rental

The Foundation entered into a Rental Agreement with the Board of Regents on June 29, 2011, amended on April 21, 2021 pursuant to which the Board of Regents agreed to lease student housing facilities containing approximately 854 beds and site amenities from the Foundation. The initial term of the Rental Agreement commenced at 12:00 o'clock A.M., on June 29, 2011 and ended on June 30, 2011. The Board of Regents has the option to renew the Rental Agreement following the initial term on a year-to-year basis for thirty one (31) consecutive years. In the event of such annual renewals; the Board of Regents will pay a fixed annual rent. At June 30, 2023, the Board of Regents has exercised its renewal option for the period from July 1, 2023 through June 30, 2024

The lease is included in the Foundation's balance sheet as an Investment in Direct Financing Lease based on the costs to purchase the building. The balance of the minimum lease payments and the unearned income decrease by the straight-line method over the life of the lease. The components of the net investment in the direct financing lease as of June 30, 2023 are as follows:

Minimum lease payment receivable	\$ 51,321,354
Less unearned income	<u>(23,711,354)</u>
Net investment in direct financing lease	<u>\$ 27,610,000</u>

Improvements are depreciated over the remaining life of the agreement as they are completed.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

11. ENDOWMENT FUNDS

The Foundation has several endowment funds that have been setup with donor-imposed restriction and all are considered restricted in perpetuity. These funds are invested into various asset classes to achieve the objectives of the funds. The funds are invested into the following asset types:

- A. The portfolio's equity allocation shall typically range between 40%-75%, with a target of 65%, and have the following characteristics:
 - 1. Broadly diversified among large, mid and small cap domestic, international, emerging market, and REIT equities.
 - 2. Exposure to both growth and value equity styles.
- B. The portfolio's fixed income allocation shall typically range between 10%-40%, with a target of 20%, and have the following characteristics:
 - 1. Allowable investments include investment grade domestic, high yield, dollar and non-dollar denominated global debt instruments;
 - 2. The portfolio will be well diversified as to issuer and maturity;
 - 3. No more than 10% of the portfolio will be held explicitly in non-investment grade bonds rated BB or lower;
 - 4. Maturities should generally be intermediate to longer term but may periodically emphasize shorter or longer maturities depending on yield curve differentials;
 - 5. The maximum duration of any individual issue shall not exceed thirty years at the time of purchase;
 - 6. The average duration of the portfolio shall not exceed ten years.
 - 7. The maximum duration of any individual issue shall not exceed thirty years at the time of purchase;
 - 8. The average duration of the portfolio shall not exceed ten years.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

11. ENDOWMENT FUNDS – Continued

C. The portfolio’s alternative allocation shall typically range between 0%-35%, with a target of 15%. The following alternative asset classes are permitted investments:

1. Hedge Funds – the Foundation’s investment approach to this asset class is to use multi-strategy, multi-manager fund of hedge funds, which will provide the best access to a highly diversified pool of hedge fund strategies and managers.
2. Commodities – the return characteristics of this asset class are largely uncorrelated with stock and bond returns. Therefore, adding broad commodity exposure can improve diversification, lower the portfolio’s risk profile and potentially boost return. Achieving this diversification has been made easier with the development of registered mutual funds that passively track a broad range of commodities. No more than 25% of this allocation will come from any one commodity category.

D. Reserves for contingencies and stock and bond purchases are expected to comprise the balance of the fund:

1. Cash reserves should be invested at all times in appropriate overnight investment vehicles;
2. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1, or other high quality short term debt instruments rated at least AA+.

The following is a reconciliation of the endowment funds for years ended June 30, 2023 and 2022:

Balance as of June 30, 2021	\$ 7,318,490
2022 Contributions	<u>2,305,371</u>
Balance as of June 30, 2022	9,623,861
2023 Contributions	<u>836,901</u>
Balance as of June 30, 2023	\$ <u>10,460,762</u>

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

12. AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at June 30, 2023, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, perpetual endowments and accumulated earnings net of appropriations within one year or because the governing board has set aside the funds for specific contingency reserves and projects or a long-term investment as board designated endowments.

Financial assets:	
Cash	\$ 5,343,805
Restricted cash	7,002,827
Short term investments	2,163,765
Promises to give, net	<u>840,436</u>
Financial assets, at year-end	<u>15,350,833</u>
Less amounts unavailable to be used within one year:	
Restricted cash	(7,002,827)
Long-term promises to give, net	<u>(249,136)</u>
Amounts unavailable to be used within one year	<u>(7,251,963)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 8,098,870</u>

13. RELATED PARTY TRANSACTIONS

Clayton State University provides free of charge the personnel to administer the Foundation and the facility to house the Foundation's records. The value of these contributed services and goods are not readily determinable and therefore have not been recorded in the financial statements.

During the current year, Clayton State University entrusted the Foundation with investments for the University's benefit. These investments are not property of the Foundation, but are only being managed by the Foundation. The balance of these investments as of June 30, 2023 and 2022 was \$1,763,987 and \$1,710,751, respectively.

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

14. IN-KIND DONATIONS

The Foundation records various types of in-kind donations. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind donations are offset by like amounts included in expenses.

In-kind donations at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Equipment	\$ 55,750	\$ 5,137
Catering services	28,181	26,620
Food	1,800	10,000
Memberships	-	32,200
Promotional goods	-	9,000
TV streaming and advertisements	-	5,000
Total	<u>\$ 85,731</u>	<u>\$ 87,957</u>

The Foundation's policy related to in-kind donations is to utilize the assets given to carry out the mission of the Foundation. If an asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

In-kind donations at June 30, 2023 and 2022 were utilized for the following campaigns:

	2023	2022
Visual and Performing Arts	\$ 55,750	\$ -
President's Office	11,503	14,036
University Advancement	3,950	1,891
Vice President for Academic Affairs	3,450	1,905
Athletics Programs	2,800	26,937
Student Affairs	1,800	1,950
Auxiliary & Admin. Services	1,599	2,028
Business and Operations	1,429	2,000
Information Technology and Services	1,250	1,338
Enrollment Services	1,200	1,073
Spivey Hall Department	1,000	264
Men's Golf	-	32,200
Recreation & Wellness	-	2,200
Student Government Association	-	135
Total	<u>\$ 85,731</u>	<u>\$ 87,957</u>

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS

14. IN-KIND DONATIONS - Continued

All in-kind donations received by the Foundation for the years ended June 30, 2023 and 2022 were considered without donor restrictions and able to be used by the Foundation as determined by the board of directors and management.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Clayton State University Foundation, Inc.

Our report on our audit of the combined financial statements of Clayton State University Foundation, Inc. for the years ended June 30, 2023 and 2022 appears on page 1-2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the combined financial statements taken as a whole. The Combining Schedules of Financial Position and the Combining Schedules of Activities are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combining financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements as a whole.



Morrow, Georgia
August 30, 2023

CLAYTON STATE UNIVERSITY FOUNDATION, INC
 COMBINING SCHEDULE OF FINANCIAL POSITION
 JUNE 30, 2023

	Foundation	Real Estate I	Real Estate II	Real Estate III	Total
ASSETS					
Cash	\$ 4,190,487	\$ 303,779	\$ 849,539	\$ -	\$ 5,343,805
Restricted cash for bond repayments	-	4,110,897	2,891,930	-	7,002,827
Short-term investments	2,163,765	-	-	-	2,163,765
Investments held on behalf of related party	1,763,987	-	-	-	1,763,987
Bateman student loan	56,509	-	-	-	56,509
Promises to give, net	840,436	-	-	-	840,436
Prepaid expenses	2,502	-	-	-	2,502
Property and equipment, net	-	-	9,965,066	-	9,965,066
Investment in direct financing lease	-	28,358,578	27,610,000	-	55,968,578
Long-term investments	13,689,041	-	-	-	13,689,041
TOTAL ASSETS	\$ 22,706,727	\$ 32,773,254	\$ 41,316,535	\$ -	\$ 96,796,516
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accrued expenses	\$ 16,985	\$ -	\$ -	\$ -	\$ 16,985
Accrued interest	-	648,047	630,622	-	1,278,669
Due to related party	1,763,987	-	-	-	1,763,987
Bonds payable	-	32,518,470	32,814,840	-	65,333,310
TOTAL LIABILITIES	1,780,972	33,166,517	33,445,462	-	68,392,951
NET ASSETS (DEFICIT)					
Without donor restrictions					
Undesignated	1,011,092	(393,263)	7,871,073	-	8,488,902
Total net assets without donor restrictions	1,011,092	(393,263)	7,871,073	-	8,488,902
With donor restrictions					
Restricted by purpose or time	9,453,901	-	-	-	9,453,901
Restricted in perpetuity	10,460,762	-	-	-	10,460,762
Total net assets with donor restrictions	19,914,663	-	-	-	19,914,663
TOTAL NET ASSETS (DEFICIT)	20,925,755	(393,263)	7,871,073	-	28,403,565
TOTAL LIABILITIES AND NET ASSETS	\$ 22,706,727	\$ 32,773,254	\$ 41,316,535	\$ -	\$ 96,796,516

See auditor's report on supplementary information

CLAYTON STATE UNIVERSITY FOUNDATION, INC
 COMBINING SCHEDULE OF FINANCIAL POSITION
 JUNE 30, 2022

	Foundation	Real Estate I	Real Estate II	Real Estate III	Total
ASSETS					
Cash	\$ 4,067,056	\$ 252,869	\$ 384,406	\$ -	\$ 4,704,331
Restricted cash for bond repayments	-	3,711,597	5,999,043	-	9,710,640
Short-term investments	2,712,479	-	-	-	2,712,479
Investments held on behalf of related party	1,710,751	-	-	-	1,710,751
Bateman student loan	73,683	-	-	-	73,683
Promises to give, net	367,004	-	-	-	367,004
Prepaid expenses	2,502	-	-	-	2,502
Property and equipment, net	-	-	8,074,925	-	8,074,925
Investment in direct financing lease	-	29,568,076	28,485,000	-	58,053,076
Long-term investments	11,809,239	-	-	-	11,809,239
TOTAL ASSETS	\$ 20,742,714	\$ 33,532,542	\$ 42,943,374	\$ -	\$ 97,218,630
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	\$ 220,326	\$ -	\$ 135,000	\$ -	\$ 355,326
Accrued expenses	3,166	-	-	-	3,166
Accrued interest	-	674,347	651,497	-	1,325,844
Due to related party	1,710,751	-	-	-	1,710,751
Bonds payable	-	33,889,366	33,877,727	-	67,767,093
TOTAL LIABILITIES	1,934,243	34,563,713	34,664,224	-	71,162,180
NET ASSETS (DEFICIT)					
Without donor restrictions					
Undesignated	913,307	(1,031,171)	8,279,150	-	8,161,286
Total net assets without donor restrictions	913,307	(1,031,171)	8,279,150	-	8,161,286
With donor restrictions					
Restricted by purpose or time	8,271,303	-	-	-	8,271,303
Restricted in perpetuity	9,623,861	-	-	-	9,623,861
Total net assets with donor restrictions	17,895,164	-	-	-	17,895,164
TOTAL NET ASSETS (DEFICIT)	18,808,471	(1,031,171)	8,279,150	-	26,056,450
TOTAL LIABILITIES AND NET ASSETS	\$ 20,742,714	\$ 33,532,542	\$ 42,943,374	\$ -	\$ 97,218,630

See auditor's report on supplementary information

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
 COMBINING SCHEDULE OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2023

	Foundation	Real Estate I	Real Estate II	Total
Change in net assets without donor restrictions				
Revenues, gains, and other support				
Dividends and interest revenue	\$ 71,353	\$ 1,655,395	\$ 1,334,732	\$ 3,061,480
Contributions	1,108,072	-	-	1,108,072
Rental revenue	-	319,635	759,320	1,078,955
In-kind revenue	85,731	-	-	85,731
Other revenue	-	-	14,208	14,208
Revenues, gains, and other support	1,265,156	1,975,030	2,108,260	5,348,446
Net assets released from restriction	479,281	-	-	479,281
Total revenues, gains, and other support	1,744,437	1,975,030	2,108,260	5,827,727
Expenses				
Program services				
Interest expense	-	1,240,196	1,033,357	2,273,553
Student housing	-	-	1,053,398	1,053,398
Scholarships	793,395	-	-	793,395
Depreciation	-	-	334,693	334,693
Travel and meetings	219,103	-	-	219,103
In-kind expenses	85,731	-	-	85,731
Eminent scholar	21,700	-	-	21,700
Student honors and recognition	21,601	-	-	21,601
Insurance	3,721	-	-	3,721
Total program services	1,145,251	1,240,196	2,421,448	4,806,895
Supporting services				
Professional services	325,778	-	-	325,778
Supplies and services	278,171	14,926	19,889	312,986
Events	54,452	-	-	54,452
Total supporting services	658,401	14,926	19,889	693,216
Total expenses	1,803,652	1,255,122	2,441,337	5,500,111
Change in net assets (deficit) without donor restrictions before transfers	(59,215)	719,908	(333,077)	327,616
Transfers	157,000	(82,000)	(75,000)	-
Total change in net assets (deficit) without donor restrictions	97,785	637,908	(408,077)	327,616
Changes in net assets with donor restrictions				
Revenues, gains, losses and other support				
Contributions	1,333,479	-	-	1,333,479
Dividends and interest income	401,334	-	-	401,334
Net unrealized gain on investments	789,125	-	-	789,125
Net realized loss on investments	(25,158)	-	-	(25,158)
Revenues, gains, losses and other support	2,498,780	-	-	2,498,780
Net assets released from restriction	(479,281)	-	-	(479,281)
Total revenues, gains, losses and other support	2,019,499	-	-	2,019,499
Change in net assets (deficit) with donor restrictions	2,019,499	-	-	2,019,499
Total change in net assets (deficit)	2,117,284	637,908	(408,077)	2,347,115
Net assets (deficit) at the beginning of the year	18,808,471	(1,031,171)	8,279,150	26,056,450
Net assets (deficit) at the end of the year	\$ 20,925,755	\$ (393,263)	\$ 7,871,073	\$ 28,403,565

See auditor's report on supplementary information

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
 COMBINING SCHEDULE OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2022

	Foundation	Real Estate I	Real Estate II	Real Estate III	Total
Change in net assets without donor restrictions					
Revenues, gains, and other support					
Dividends and interest revenue	\$ 124,050	\$ 1,636,957	\$ 1,305,769	\$ -	\$ 3,066,776
Rental revenue	-	230,034	333,605	-	563,639
In-kind revenue	87,957	-	-	-	87,957
Other revenue	82,165	28	-	-	82,193
Revenues, gains, and other support	294,172	1,867,019	1,639,374	-	3,800,565
Net assets released from restriction	1,882,587	-	-	-	1,882,587
Total revenues, gains, and other support	2,176,759	1,867,019	1,639,374	-	5,683,152
Expenses					
Program services					
Interest expense	30,000	1,308,637	1,567,842	-	2,906,479
Student housing	-	-	1,274,027	-	1,274,027
Scholarships	800,496	-	-	-	800,496
Depreciation	-	-	334,693	-	334,693
Travel and meetings	153,387	-	-	-	153,387
In-kind expenses	109,063	-	-	-	109,063
Student honors and recognition	87,824	-	-	-	87,824
Eminent scholar	19,000	-	-	-	19,000
Insurance	4,068	-	-	-	4,068
Grants and honorariums	102,534	-	-	-	102,534
Other	100,697	-	-	-	100,697
Total program services	1,407,069	1,308,637	3,176,562	-	5,892,268
Supporting services					
Professional services	452,175	-	1,819	458	454,452
Supplies and services	195,798	15,772	31,658	65	243,293
Events	262,175	-	-	-	262,175
Total supporting services	910,148	15,772	33,477	523	959,920
Total expenses	2,317,217	1,324,409	3,210,039	523	6,852,188
Change in net assets (deficit) without donor restrictions before transfers	(140,458)	542,610	(1,570,665)	(523)	(1,169,036)
Transfers	217,694	(81,300)	(75,800)	(60,594)	-
Total change in net assets (deficit) without donor restrictions	77,236	461,310	(1,646,465)	(61,117)	(1,169,036)
Changes in net assets with donor restrictions					
Revenues, gains, losses and other support					
Contributions	2,691,167	-	-	-	2,691,167
Dividends and interest income	277,357	-	-	-	277,357
Net unrealized loss on investments	(2,432,278)	-	-	-	(2,432,278)
Net realized gain on investments	681,781	-	-	-	681,781
Revenues, gains, losses and other support	1,218,027	-	-	-	1,218,027
Net assets released from restriction	(1,882,587)	-	-	-	(1,882,587)
Total revenues, gains, losses and other support	(664,560)	-	-	-	(664,560)
Change in net assets (deficit) with donor restrictions	(664,560)	-	-	-	(664,560)
Total change in net assets (deficit) from operations	(587,324)	461,310	(1,646,465)	(61,117)	(1,833,596)
Gain on retirement of bonds	-	-	8,360,657	-	8,360,657
Total change in net assets (deficit)	(587,324)	461,310	6,714,192	(61,117)	6,527,061
Net assets (deficit) at the beginning of the year	19,395,795	(1,492,481)	1,564,958	61,117	19,529,389
Net assets (deficit) at the end of the year	\$ 18,808,471	\$ (1,031,171)	\$ 8,279,150	\$ -	\$ 26,056,450

See auditor's report on supplementary information