

**CLAYTON STATE UNIVERSITY
FOUNDATION, INC.**

COMBINED FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

With Independent Auditor's Report Thereon

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
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JUNE 30, 2025 AND 2024

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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, 2025 and 2024 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, 2025 and 2024, 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.



Morrow, Georgia
September 2, 2025

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

| | 2025 | 2024 |
|---|----------------------|----------------------|
| ASSETS | | |
| ASSETS | | |
| Cash | \$ 7,166,803 | \$ 6,712,761 |
| Restricted cash equivalents for bond repayments | 8,001,175 | 7,259,145 |
| Short-term investments | 2,378,763 | 2,753,243 |
| Investments held on behalf of related party | 2,029,696 | 1,894,322 |
| Bateman student loan | 78,006 | 78,006 |
| Promises to give, net | 208,959 | 1,246,783 |
| Prepaid expenses | 2,502 | 2,502 |
| Property and equipment, net | 9,109,242 | 9,603,739 |
| Investment in direct financing lease | 51,688,363 | 53,893,504 |
| Long-term investments | <u>16,657,970</u> | <u>15,094,271</u> |
| TOTAL ASSETS | \$ <u>97,321,479</u> | \$ <u>98,538,276</u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts payable | \$ 214,838 | \$ - |
| Accrued expenses | 63,190 | 38,225 |
| Accrued interest | 1,173,270 | 1,222,669 |
| Due to related party | 2,029,696 | 1,894,322 |
| Deferred revenue | 145,665 | 844,954 |
| Bonds payable | <u>60,285,740</u> | <u>62,809,525</u> |
| TOTAL LIABILITIES | 63,912,399 | 66,809,695 |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | <u>10,602,748</u> | <u>10,232,204</u> |
| Total net assets without donor restrictions | 10,602,748 | 10,232,204 |
| With donor restrictions | | |
| Restricted by purpose or time | 11,937,828 | 10,918,679 |
| Restricted in perpetuity | <u>10,868,504</u> | <u>10,577,698</u> |
| Total net assets with donor restrictions | <u>22,806,332</u> | <u>21,496,377</u> |
| TOTAL NET ASSETS | <u>33,409,080</u> | <u>31,728,581</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ <u>97,321,479</u> | \$ <u>98,538,276</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, 2025

| | Without Donor Restriction | With Donor Restriction | Total |
|---|---------------------------------|------------------------------|----------------------|
| Revenues, gains, and other support | | | |
| Dividends and interest revenue | \$ 2,928,249 | \$ 499,187 | \$ 3,427,436 |
| Contributions | 1,456,766 | 505,402 | 1,962,168 |
| Net realized gain on investments | - | 839,860 | 839,860 |
| Other revenue | 676,187 | - | 676,187 |
| Net unrealized gain on investments | - | 674,704 | 674,704 |
| Rental revenue | <u>601,502</u> | <u>-</u> | <u>601,502</u> |
| Revenues, gains, and other support | 5,662,704 | 2,519,153 | 8,181,857 |
| Net assets released from restriction | <u>1,209,198</u> | <u>(1,209,198)</u> | <u>-</u> |
| Total revenues, gains, losses and other support | <u>6,871,902</u> | <u>1,309,955</u> | <u>8,181,857</u> |
| Expenses | | | |
| Program services | | | |
| Interest expense | 2,092,408 | - | 2,092,408 |
| Scholarships | 1,023,555 | - | 1,023,555 |
| Bad debt expense | 1,007,000 | - | 1,007,000 |
| Student housing | 692,463 | - | 692,463 |
| Depreciation | 494,497 | - | 494,497 |
| Travel and meetings | 263,363 | - | 263,363 |
| Other | 129,643 | - | 129,643 |
| Student honors and recognition | 37,095 | - | 37,095 |
| Grants and honorariums | 30,979 | - | 30,979 |
| Insurance | <u>4,208</u> | <u>-</u> | <u>4,208</u> |
| Total program services | <u>5,775,211</u> | <u>-</u> | <u>5,775,211</u> |
| Supporting services | | | |
| Professional services | 392,042 | - | 392,042 |
| Supplies and services | 319,355 | - | 319,355 |
| Events | <u>14,750</u> | <u>-</u> | <u>14,750</u> |
| Total supporting services | <u>726,147</u> | <u>-</u> | <u>726,147</u> |
| Total expenses | <u>6,501,358</u> | <u>-</u> | <u>6,501,358</u> |
| Total change in net assets | 370,544 | 1,309,955 | 1,680,499 |
| Net assets at beginning of year | <u>10,232,204</u> | <u>21,496,377</u> | <u>31,728,581</u> |
| Net assets at end of year | <u>\$ 10,602,748</u> | <u>\$ 22,806,332</u> | <u>\$ 33,409,080</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, 2024

| | Without Donor Restriction | With Donor Restriction | Total |
|---|---------------------------------|------------------------------|----------------------|
| Revenues, gains, and other support | | | |
| Dividends and interest revenue | \$ 3,032,337 | \$ 481,467 | \$ 3,513,804 |
| Contributions | 2,402,108 | 288,662 | 2,690,770 |
| Net realized gain on investments | - | 333,965 | 333,965 |
| Other revenue | 54,000 | - | 54,000 |
| Net unrealized gain on investments | - | 1,155,194 | 1,155,194 |
| Rental revenue | 588,574 | - | 588,574 |
| Revenues, gains, and other support | 6,077,019 | 2,259,288 | 8,336,307 |
| Net assets released from restriction | 677,574 | (677,574) | - |
| Total revenues, gains, losses and other support | <u>6,754,593</u> | <u>1,581,714</u> | <u>8,336,307</u> |
| Expenses | | | |
| Program services | | | |
| Interest expense | 2,161,553 | - | 2,161,553 |
| Scholarships | 693,358 | - | 693,358 |
| Depreciation | 361,327 | - | 361,327 |
| Student housing | 301,989 | - | 301,989 |
| Travel and meetings | 178,517 | - | 178,517 |
| Other | 118,135 | - | 118,135 |
| Grants and honorariums | 44,066 | - | 44,066 |
| Student honors and recognition | 27,098 | - | 27,098 |
| Eminent scholar | 24,200 | - | 24,200 |
| Insurance | 4,208 | - | 4,208 |
| Total program services | <u>3,914,451</u> | <u>-</u> | <u>3,914,451</u> |
| Supporting services | | | |
| Professional services | 453,340 | - | 453,340 |
| Supplies and services | 327,769 | - | 327,769 |
| Events | 315,731 | - | 315,731 |
| Total supporting services | <u>1,096,840</u> | <u>-</u> | <u>1,096,840</u> |
| Total expenses | <u>5,011,291</u> | <u>-</u> | <u>5,011,291</u> |
| Total change in net assets | 1,743,302 | 1,581,714 | 3,325,016 |
| Net assets at beginning of year | <u>8,488,902</u> | <u>19,914,663</u> | <u>28,403,565</u> |
| Net assets at end of year | <u>\$ 10,232,204</u> | <u>\$ 21,496,377</u> | <u>\$ 31,728,581</u> |

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, 2025 AND 2024

| | 2025 | 2024 |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 1,680,499 | \$ 3,325,016 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Unrealized gain on investments | (674,704) | (1,155,194) |
| Realized gain on sale of investments | (839,860) | (333,965) |
| Amortization of debt issuance costs and bond premium | (283,785) | (283,785) |
| Depreciation | 494,497 | 361,327 |
| Changes in operating assets and liabilities | | |
| Decrease (Increase) in promises to give, net | 1,037,824 | (406,347) |
| Increase in Bateman student loan | - | (3,000) |
| Decrease in investment in direct financing lease | 2,205,141 | 2,075,074 |
| Increase in accounts payable | 214,838 | - |
| Increase in accrued expenses | 24,965 | 21,240 |
| Decrease in accrued interest | (49,399) | (56,000) |
| (Decrease) Increase in deferred revenue | <u>(699,289)</u> | <u>826,457</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 3,110,727 | 4,370,823 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from investments | 1,492,601 | 1,096,460 |
| Purchases of investments | <u>(1,167,256)</u> | <u>(1,602,009)</u> |
| NET CASH PROVIDED BY USED IN INVESTING ACTIVITIES | 325,345 | (505,549) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Principal payments on bonds and note payable | <u>(2,240,000)</u> | <u>(2,240,000)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(2,240,000)</u> | <u>(2,240,000)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 1,196,072 | 1,625,274 |
| CASH AND CASH EQUIVALENTS: | | |
| AT BEGINNING OF YEAR | <u>13,971,906</u> | <u>12,346,632</u> |
| AT END OF YEAR | \$ <u>15,167,978</u> | \$ <u>13,971,906</u> |
| SUPPLEMENTARY DISCLOSURE: | | |
| Cash paid for interest | \$ <u>2,395,938</u> | \$ <u>2,501,338</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, 2025 AND 2024

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”) and CSU Foundation Real Estate II, LLC (“CSUFRE2”). CSUFRE1 constructed a student housing and a student activity center at Clayton State University. CSUFRE2 purchased student housing for use by Clayton State University. All significant intercompany transactions and balances have been eliminated.

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, 2025 and 2024, the Foundation had cash equivalents of \$8,001,175 and \$7,259,145, respectively.

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.

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.

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, 2025.

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 2022.

Subsequent events

Subsequent events have been evaluated through September 2, 2025, which is the date the financial statements were available to be issued.

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

3. PROMISES TO GIVE, NET

Unconditional promises to give at June 30, 2025 and 2024 are as follows:

| Expected to be collected in: | 2025 | 2024 |
|------------------------------|-------------------|---------------------|
| Less than one year | \$ 208,959 | \$ 778,616 |
| More than one year | - | 468,167 |
| Total | <u>\$ 208,959</u> | <u>\$ 1,246,783</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 0% and 4.5% for years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the discount on the long-term promises to give was \$0 and \$31,833, 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, 2025, the Foundation held funds of \$13,916,495 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.

5. 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, 2025 and 2024 was \$2,029,696 and \$1,894,322, respectively.

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

6. PROPERTY AND EQUIPMENT

Property and Equipment at June 30, 2025 and 2024 consisted of the following:

| | 2025 | 2024 |
|-----------------------------|---------------------|---------------------|
| Improvements | \$ 12,261,275 | \$ 12,261,275 |
| Accumulated depreciation | <u>(3,152,033)</u> | <u>(2,657,536)</u> |
| Property and equipment, net | \$ <u>9,109,242</u> | \$ <u>9,603,739</u> |

7. INVESTMENTS

Investments at June 30, 2025 are recorded at fair value and are comprised of the following:

| | Cost | Fair Value |
|--|----------------------|----------------------|
| Short-term investments: | | |
| Board of Regents pooled investment funds | \$ 2,392,551 | \$ 2,378,763 |
| Long-term investments: | | |
| Board of Regents pooled investment funds | 12,887,192 | 16,333,470 |
| Long-term investments: | | |
| Real estate | <u>324,500</u> | <u>324,500</u> |
| | \$ <u>15,604,243</u> | \$ <u>19,036,733</u> |

Investments at June 30, 2024 are recorded at fair value and are comprised of the following:

| | Cost | Fair Value |
|--|----------------------|----------------------|
| Short-term investments: | | |
| Board of Regents pooled investment funds | \$ 2,793,520 | \$ 2,753,243 |
| Long-term investments: | | |
| Board of Regents pooled investment funds | 13,180,455 | 14,769,771 |
| Long-term investments: | | |
| Real estate | <u>324,500</u> | <u>324,500</u> |
| | \$ <u>16,298,475</u> | \$ <u>17,847,514</u> |

Investment fees for the years ended June 30, 2025 and 2024 totaled \$20,627 and \$18,794, 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

8. 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, 2025:

| | Total | Level 1 | Level 2 | Level 3 |
|-------------------------|---------------------|---------------------|-------------------|----------------|
| Board of Regents Pooled | | | | |
| Investment Funds | | | | |
| Diversified fund | \$15,331,826 | \$15,331,826 | \$ - | \$ - |
| Balanced income | 1,001,644 | 1,001,644 | - | - |
| Short term | 2,378,763 | 2,378,763 | - | - |
| Commercial real estate | <u>324,500</u> | <u>-</u> | <u>324,500</u> | <u>-</u> |
| | <u>\$19,036,733</u> | <u>\$18,712,233</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, 2025.

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

8. 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, 2024:

| | Total | Level 1 | Level 2 | Level 3 |
|--|---------------------|---------------------|-------------------|----------------|
| Board of Regents Pooled Investment Funds | | | | |
| Diversified fund | \$13,824,935 | \$13,824,935 | \$ - | \$ - |
| Balanced income | 944,836 | 944,836 | - | - |
| Short term | 2,753,243 | 2,753,243 | - | - |
| Commercial real estate | <u>324,500</u> | <u>-</u> | <u>324,500</u> | <u>-</u> |
| | <u>\$17,847,514</u> | <u>\$17,523,014</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, 2024.

9. NET ASSETS

Net assets with donor restrictions were available for the following purposes at June 30, 2025 and 2024:

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Subject to expenditures for specific purpose: | | |
| Scholarships | \$ 6,848,574 | \$ 6,709,492 |
| Various other | 4,589,254 | 3,709,187 |
| Salary supplements | <u>500,000</u> | <u>500,000</u> |
| | 11,937,828 | 10,918,679 |
| Subject to restriction in perpetuity: | | |
| Corpus | <u>10,868,504</u> | <u>10,577,698</u> |
| Total net assets with donor restrictions | <u>\$ 22,806,332</u> | <u>\$ 21,496,377</u> |

Net assets subject to restriction in perpetuity include \$530,238 for the Charles S Conklin II trust for the years ended June 30, 2025 and 2024.

Net assets with donor restrictions released from restrictions were as follows for the years ended June 30, 2025 and 2024:

| | 2025 | 2024 |
|----------------------------------|---------------------|-------------------|
| Scholarships | \$ 1,054,659 | \$ 144,291 |
| Various other | <u>154,539</u> | <u>533,283</u> |
| Total released from restrictions | <u>\$ 1,209,198</u> | <u>\$ 677,574</u> |

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

10. 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>Future Debt Service Required</u> | |
|---------------------------|-------------------------------------|---------------------|
| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> |
| June 30 | | |
| 2026 | \$ 1,400,000 | \$ 1,175,044 |
| 2027 | 1,495,000 | 1,105,044 |
| 2028 | 1,545,000 | 1,030,294 |
| 2029 | 1,650,000 | 953,044 |
| 2030 | 1,765,000 | 870,544 |
| thereafter | <u>21,140,000</u> | <u>4,033,550</u> |
| | 28,995,000 | 9,167,520 |
| Bond premium | 1,994,990 | - |
| Issuance costs | <u>(1,268,316)</u> | - |
| Total | \$ <u>29,721,674</u> | \$ <u>9,167,520</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, 2025 and 2024.

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

10. 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 affiliate 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 affiliate CSU Foundation Real Estate III, LLC, which was dissolved in September 2021; 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>Future Debt Service Required</u> | |
|--------------------|-------------------------------------|----------------------|
| <u>Year ending</u> | <u>Principal</u> | <u>Interest</u> |
| June 30 | | |
| 2026 | \$ 965,000 | \$ 1,171,494 |
| 2027 | 1,010,000 | 1,123,244 |
| 2028 | 1,065,000 | 1,072,744 |
| 2029 | 1,115,000 | 1,019,494 |
| 2030 | 1,170,000 | 963,744 |
| thereafter | <u>21,365,000</u> | <u>6,399,334</u> |
| | 26,690,000 | 11,750,054 |
| Bond premium | 4,395,890 | - |
| Issuance costs | <u>(521,824)</u> | <u>-</u> |
| Total | <u>\$ 30,564,066</u> | <u>\$ 11,750,054</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, 2025 and 2024.

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

11. 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, 2025, the Board of Regents has exercised its renewal option for the period from July 1, 2025 through June 30, 2025.

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, 2025 are as follows:

| | |
|--|----------------------|
| Minimum lease payment receivable | \$ 21,635,772 |
| Less unearned income | <u>(8,087,601)</u> |
| Net investment in direct financing lease | <u>\$ 13,548,171</u> |

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

11. 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, 2025, the Board of Regents has exercised its renewal option for the period from July 1, 2025 through June 30, 2025.

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, 2025 are as follows:

| | |
|--|----------------------|
| Minimum lease payment receivable | \$ 21,975,211 |
| Less unearned income | <u>(9,560,020)</u> |
| Net investment in direct financing lease | <u>\$ 12,415,191</u> |

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

11. 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, 2025, the Board of Regents has exercised its renewal option for the period from July 1, 2025 through June 30, 2025.

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, 2025 are as follows:

| | |
|--|----------------------|
| Minimum lease payment receivable | \$ 46,357,051 |
| Less unearned income | <u>(20,632,050)</u> |
| Net investment in direct financing lease | <u>\$ 25,725,001</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

12. 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

12. 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, 2025 and 2024:

| | |
|-----------------------------|----------------------|
| Balance as of June 30, 2023 | \$ 10,460,762 |
| 2024 Contributions | <u>116,936</u> |
| Balance as of June 30, 2024 | 10,577,698 |
| 2025 Contributions | <u>290,806</u> |
| Balance as of June 30, 2025 | \$ <u>10,868,504</u> |

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

13. AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at June 30, 2025, 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 | \$ 7,166,803 |
| Short term investments | 2,378,763 |
| Promises to give, net | <u>208,959</u> |

| | |
|-------------------------------|------------------|
| Financial assets, at year-end | <u>9,754,525</u> |
|-------------------------------|------------------|

Less amounts unavailable to be used within one year:

| | |
|---|--------------------|
| Net assets with donor restriction over and above long-term investments | <u>(6,148,362)</u> |
|---|--------------------|

Financial assets available to meet general expenditures
over the next year

\$ 3,606,163



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, 2025 and 2024 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
September 2, 2025

CLAYTON STATE UNIVERSITY FOUNDATION, INC
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2025

| | Foundation | Real Estate I | Real Estate II | Total |
|---|----------------------|----------------------|----------------------|----------------------|
| ASSETS | | | | |
| Cash | \$ 5,524,671 | \$ 374,626 | \$ 1,267,506 | \$ 7,166,803 |
| Restricted cash for bond repayments | - | 4,848,823 | 3,152,352 | 8,001,175 |
| Short-term investments | 2,378,763 | - | - | 2,378,763 |
| Investments held on behalf of related party | 2,029,696 | - | - | 2,029,696 |
| Bateman student loan | 78,006 | - | - | 78,006 |
| Promises to give, net | 208,959 | - | - | 208,959 |
| Prepaid expenses | 2,502 | - | - | 2,502 |
| Property and equipment, net | - | - | 9,109,242 | 9,109,242 |
| Investment in direct financing lease | - | 25,963,362 | 25,725,001 | 51,688,363 |
| Long-term investments | 16,657,970 | - | - | 16,657,970 |
| TOTAL ASSETS | \$ 26,880,567 | \$ 31,186,811 | \$ 39,254,101 | \$ 97,321,479 |
| LIABILITIES AND NET ASSETS | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ - | \$ - | \$ 214,838 | \$ 214,838 |
| Accrued expenses | 63,190 | - | - | 63,190 |
| Accrued interest | - | 587,523 | 585,747 | 1,173,270 |
| Due to related party | 2,029,696 | - | - | 2,029,696 |
| Deferred revenue | 55,015 | - | 90,650 | 145,665 |
| Bonds payable | - | 29,721,674 | 30,564,066 | 60,285,740 |
| TOTAL LIABILITIES | 2,147,901 | 30,309,197 | 31,455,301 | 63,912,399 |
| NET ASSETS | | | | |
| Without donor restrictions | | | | |
| Undesignated | 1,926,334 | 877,614 | 7,798,800 | 10,602,748 |
| Total net assets without donor restrictions | 1,926,334 | 877,614 | 7,798,800 | 10,602,748 |
| With donor restrictions | | | | |
| Restricted by purpose or time | 11,937,828 | - | - | 11,937,828 |
| Restricted in perpetuity | 10,868,504 | - | - | 10,868,504 |
| Total net assets with donor restrictions | 22,806,332 | - | - | 22,806,332 |
| TOTAL NET ASSETS | 24,732,666 | 877,614 | 7,798,800 | 33,409,080 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 26,880,567 | \$ 31,186,811 | \$ 39,254,101 | \$ 97,321,479 |

See notes to supplementary information

CLAYTON STATE UNIVERSITY FOUNDATION, INC
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2024

| | Foundation | Real Estate I | Real Estate II | Total |
|---|----------------------|----------------------|----------------------|----------------------|
| ASSETS | | | | |
| Cash | \$ 4,594,984 | \$ 373,210 | \$ 1,744,567 | \$ 6,712,761 |
| Restricted cash for bond repayments | - | 4,409,140 | 2,850,005 | 7,259,145 |
| Short-term investments | 2,753,243 | - | - | 2,753,243 |
| Investments held on behalf of related party | 1,894,322 | - | - | 1,894,322 |
| Bateman student loan | 78,006 | - | - | 78,006 |
| Promises to give, net | 1,246,783 | - | - | 1,246,783 |
| Prepaid expenses | 2,502 | - | - | 2,502 |
| Property and equipment, net | - | - | 9,603,739 | 9,603,739 |
| Investment in direct financing lease | - | 27,203,503 | 26,690,001 | 53,893,504 |
| Long-term investments | 15,094,271 | - | - | 15,094,271 |
| TOTAL ASSETS | \$ 25,664,111 | \$ 31,985,853 | \$ 40,888,312 | \$ 98,538,276 |
| LIABILITIES AND NET ASSETS | | | | |
| LIABILITIES | | | | |
| Accrued expenses | \$ 38,225 | \$ - | \$ - | \$ 38,225 |
| Accrued interest | - | 613,922 | 608,747 | 1,222,669 |
| Due to related party | 1,894,322 | - | - | 1,894,322 |
| Deferred revenue | 78,116 | - | 766,838 | 844,954 |
| Bonds payable | - | 31,097,572 | 31,711,953 | 62,809,525 |
| TOTAL LIABILITIES | 2,010,663 | 31,711,494 | 33,087,538 | 66,809,695 |
| NET ASSETS (DEFICIT) | | | | |
| Without donor restrictions | | | | |
| Undesignated | 2,157,071 | 274,359 | 7,800,774 | 10,232,204 |
| Total net assets without donor restrictions | 2,157,071 | 274,359 | 7,800,774 | 10,232,204 |
| With donor restrictions | | | | |
| Restricted by purpose or time | 10,918,679 | - | - | 10,918,679 |
| Restricted in perpetuity | 10,577,698 | - | - | 10,577,698 |
| Total net assets with donor restrictions | 21,496,377 | - | - | 21,496,377 |
| TOTAL NET ASSETS | 23,653,448 | 274,359 | 7,800,774 | 31,728,581 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 25,664,111 | \$ 31,985,853 | \$ 40,888,312 | \$ 98,538,276 |

See notes to supplementary information

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

| | Foundation | Real Estate I | Real Estate II | Total |
|--|---------------|------------------|-------------------|---------------|
| Change in net assets without donor restrictions | | | | |
| Revenues, gains, and other support | | | | |
| Dividends and interest revenue | \$ 96,798 | \$ 1,601,932 | \$ 1,229,519 | \$ 2,928,249 |
| Contributions | 1,456,766 | - | - | 1,456,766 |
| Other revenue | - | - | 676,187 | 676,187 |
| Rental revenue | - | 244,114 | 357,388 | 601,502 |
| Revenues, gains, and other support | 1,553,564 | 1,846,046 | 2,263,094 | 5,662,704 |
| Net assets released from restriction | 1,209,198 | - | - | 1,209,198 |
| Total revenues, gains, and other support | 2,762,762 | 1,846,046 | 2,263,094 | 6,871,902 |
| Expenses | | | | |
| Program services | | | | |
| Interest expense | - | 1,148,801 | 943,607 | 2,092,408 |
| Scholarships | 1,023,555 | - | - | 1,023,555 |
| Bad debt expense | 1,007,000 | - | - | 1,007,000 |
| Student housing | - | - | 692,463 | 692,463 |
| Depreciation | - | - | 494,497 | 494,497 |
| Travel and meetings | 263,363 | - | - | 263,363 |
| Other | 129,643 | - | - | 129,643 |
| Student honors and recognition | 37,095 | - | - | 37,095 |
| Grants and honorariums | 30,979 | - | - | 30,979 |
| Insurance | 4,208 | - | - | 4,208 |
| Total program services | 2,495,843 | 1,148,801 | 2,130,567 | 5,775,211 |
| Supporting services | | | | |
| Professional services | 390,542 | - | 1,500 | 392,042 |
| Supplies and services | 242,364 | 18,990 | 58,001 | 319,355 |
| Events | 14,750 | - | - | 14,750 |
| Total supporting services | 647,656 | 18,990 | 59,501 | 726,147 |
| Total expenses | 3,143,499 | 1,167,791 | 2,190,068 | 6,501,358 |
| Change in net assets (deficit) without donor restrictions before transfers | (380,737) | 678,255 | 73,026 | 370,544 |
| Transfers | 150,000 | (75,000) | (75,000) | - |
| Total change in net assets (deficit) without donor restrictions | (230,737) | 603,255 | (1,974) | 370,544 |
| Changes in net assets with donor restrictions | | | | |
| Revenues, gains, and other support | | | | |
| Net realized gain on investments | 839,860 | - | - | 839,860 |
| Net unrealized gain on investments | 674,704 | - | - | 674,704 |
| Contributions | 505,402 | - | - | 505,402 |
| Dividends and interest income | 499,187 | - | - | 499,187 |
| Revenues, gains, and other support | 2,519,153 | - | - | 2,519,153 |
| Net assets released from restriction | (1,209,198) | - | - | (1,209,198) |
| Total revenues, gains, and other support | 1,309,955 | - | - | 1,309,955 |
| Change in net assets with donor restrictions | 1,309,955 | - | - | 1,309,955 |
| Total change in net assets (deficit) | 1,079,218 | 603,255 | (1,974) | 1,680,499 |
| Net assets (deficit) at the beginning of the year | 23,653,448 | 274,359 | 7,800,774 | 31,728,581 |
| Net assets at the end of the year | \$ 24,732,666 | \$ 877,614 | \$ 7,798,800 | \$ 33,409,080 |

See notes to supplementary information

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

| | Foundation | Real Estate I | Real Estate II | Total |
|--|---------------|------------------|-------------------|---------------|
| Change in net assets without donor restrictions | | | | |
| Revenues, gains, and other support | | | | |
| Dividends and interest revenue | \$ 87,675 | \$ 1,656,532 | \$ 1,288,130 | \$ 3,032,337 |
| Contributions | 2,402,108 | - | - | 2,402,108 |
| Other revenue | 54,000 | - | - | 54,000 |
| Rental revenue | - | 239,327 | 349,247 | 588,574 |
| Revenues, gains, and other support | 2,543,783 | 1,895,859 | 1,637,377 | 6,077,019 |
| Net assets released from restriction | 677,574 | - | - | 677,574 |
| Total revenues, gains, and other support | 3,221,357 | 1,895,859 | 1,637,377 | 6,754,593 |
| Expenses | | | | |
| Program services | | | | |
| Interest expense | - | 1,171,946 | 989,607 | 2,161,553 |
| Scholarships | 693,358 | - | - | 693,358 |
| Student housing | - | - | 301,989 | 301,989 |
| Depreciation | - | - | 361,327 | 361,327 |
| Travel and meetings | 178,517 | - | - | 178,517 |
| Other | 118,135 | - | - | 118,135 |
| Student honors and recognition | 27,098 | - | - | 27,098 |
| Grants and honorariums | 44,066 | - | - | 44,066 |
| Insurance | 4,208 | - | - | 4,208 |
| Eminent scholar | 24,200 | - | - | 24,200 |
| Total program services | 1,089,582 | 1,171,946 | 1,652,923 | 3,914,451 |
| Supporting services | | | | |
| Professional services | 451,840 | - | 1,500 | 453,340 |
| Supplies and services | 293,225 | 18,791 | 15,753 | 327,769 |
| Events | 315,731 | - | - | 315,731 |
| Total supporting services | 1,060,796 | 18,791 | 17,253 | 1,096,840 |
| Total expenses | 2,150,378 | 1,190,737 | 1,670,176 | 5,011,291 |
| Change in net assets (deficit) without donor restrictions before transfers | 1,070,979 | 705,122 | (32,799) | 1,743,302 |
| Transfers | 75,000 | (37,500) | (37,500) | - |
| Total change in net assets (deficit) without donor restrictions | 1,145,979 | 667,622 | (70,299) | 1,743,302 |
| Changes in net assets with donor restrictions | | | | |
| Revenues, gains, and other support | | | | |
| Net realized gain on investments | 333,965 | - | - | 333,965 |
| Net unrealized gains on investments | 1,155,194 | - | - | 1,155,194 |
| Contributions | 288,662 | - | - | 288,662 |
| Dividends and interest income | 481,467 | - | - | 481,467 |
| Revenues, gains, and other support | 2,259,288 | - | - | 2,259,288 |
| Net assets released from restriction | (677,574) | - | - | (677,574) |
| Total revenues, gains, and other support | 1,581,714 | - | - | 1,581,714 |
| Change in net assets with donor restrictions | 1,581,714 | - | - | 1,581,714 |
| Total change in net assets (deficit) | 2,727,693 | 667,622 | (70,299) | 3,325,016 |
| Net assets (deficit) at the beginning of the year | 20,925,755 | (393,263) | 7,871,073 | 28,403,565 |
| Net assets at the end of the year | \$ 23,653,448 | \$ 274,359 | \$ 7,800,774 | \$ 31,728,581 |

See notes to supplementary information

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
NOTES TO THE SUPPLEMENTARY INFORMATION

1. COMBINED FINANCIAL STATEMENTS

For the years ended June 30, 2025 and 2024, the Foundation has presented the investment in affiliates at cost on the combined financial statements.