

**CLAYTON STATE UNIVERSITY
FOUNDATION, INC.**

COMBINED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

With Independent Auditor's Report Thereon

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
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JUNE 30, 2022 AND 2021

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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, 2022 and 2021 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, 2022 and 2021, 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 6, 2022

CLAYTON STATE UNIVERSITY FOUNDATION, INC.
 COMBINED STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
ASSETS		
Cash	\$ 4,704,331	\$ 4,009,819
Restricted cash for bond repayments	9,710,640	37,714,752
Short-term investments	2,712,479	2,630,712
Investments held on behalf of related party	1,710,751	2,133,623
Bateman student loan	73,683	72,945
Promises to give, net	367,004	371,615
Prepaid expenses	2,502	2,502
Property and equipment, net	8,074,925	6,639,350
Investment in direct financing lease	58,053,076	60,043,430
Long-term investments	<u>11,809,239</u>	<u>12,981,500</u>
TOTAL ASSETS	<u>\$ 97,218,630</u>	<u>\$126,600,248</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 355,326	\$ -
Accrued expenses	3,166	8,166
Accrued interest	1,325,844	1,362,788
Due to related party	1,710,751	2,133,623
Deferred revenue	-	8,360,657
Bonds payable	<u>67,767,093</u>	<u>95,205,625</u>
TOTAL LIABILITIES	71,162,180	107,070,859
NET ASSETS		
Without donor restrictions		
Undesignated	<u>8,161,286</u>	<u>969,665</u>
Total net assets without donor restrictions	8,161,286	969,665
With donor restrictions		
Restricted by purpose or time	8,271,303	11,241,234
Restricted in perpetuity	<u>9,623,861</u>	<u>7,318,490</u>
Total net assets with donor restrictions	<u>17,895,164</u>	<u>18,559,724</u>
TOTAL NET ASSETS	<u>26,056,450</u>	<u>19,529,389</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 97,218,630</u>	<u>\$126,600,248</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

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
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
Net realized gain on investments	-	681,781	681,781
Rental revenue	563,639	-	563,639
In-kind revenue	87,957	-	87,957
Other revenue	82,193	-	82,193
Net unrealized loss on investments	<u>-</u>	<u>(2,432,278)</u>	<u>(2,432,278)</u>
Revenues, gains, losses and other support	3,800,565	1,218,027	5,018,592
Net assets released from restriction	<u>1,882,587</u>	<u>(1,882,587)</u>	<u>-</u>
Total revenues, gains, losses and other support	<u>5,683,152</u>	<u>(664,560)</u>	<u>5,018,592</u>
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
Grants and honorariums	102,534	-	102,534
Other	100,697	-	100,697
Student honors and recognition	87,824	-	87,824
Eminent scholar	19,000	-	19,000
Insurance	<u>4,068</u>	<u>-</u>	<u>4,068</u>
Total program services	<u>5,892,268</u>	<u>-</u>	<u>5,892,268</u>
Supporting services			
Professional services	454,452	-	454,452
Events	262,175	-	262,175
Supplies and services	<u>243,293</u>	<u>-</u>	<u>243,293</u>
Total supporting services	<u>959,920</u>	<u>-</u>	<u>959,920</u>
Total expenses	<u>6,852,188</u>	<u>-</u>	<u>6,852,188</u>
Total change in net assets from operations	(1,169,036)	(664,560)	(1,833,596)
Gain on retirement of bonds	<u>8,360,657</u>	<u>-</u>	<u>8,360,657</u>
Total change in net assets	7,191,621	(664,560)	6,527,061
Net assets at beginning of year	<u>969,665</u>	<u>18,559,724</u>	<u>19,529,389</u>
Net assets at end of year	<u>\$ 8,161,286</u>	<u>\$ 17,895,164</u>	<u>\$26,056,450</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, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenues, gains, and other support			
Dividends and interest revenue	\$ 2,938,375	\$ 218,609	\$ 3,156,984
Contributions	-	2,876,282	2,876,282
Net realized gain on investments	-	1,060,649	1,060,649
Rental revenue	1,522,691	-	1,522,691
Other revenue	39,185	-	39,185
Net unrealized gain on investments	-	<u>1,441,146</u>	<u>1,441,146</u>
Revenues, gains, and other support	<u>4,500,251</u>	<u>5,596,686</u>	<u>10,096,937</u>
Net assets released from restriction	<u>1,189,565</u>	<u>(1,189,565)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,689,816</u>	<u>4,407,121</u>	<u>10,096,937</u>
 Expenses			
Program services			
Interest expense	2,573,261	-	2,573,261
Scholarships	565,055	-	565,055
Depreciation	334,693	-	334,693
Travel and meetings	7,977	-	7,977
Grants and honorariums	205,760	-	205,760
Other	76,518	-	76,518
Student honors and recognition	18,572	-	18,572
Insurance	<u>50,874</u>	<u>-</u>	<u>50,874</u>
Total program services	<u>3,832,710</u>	<u>-</u>	<u>3,832,710</u>
Supporting services			
Professional services	484,829	-	484,829
Events	15,115	-	15,115
Supplies and services	<u>223,096</u>	<u>-</u>	<u>223,096</u>
Total supporting services	<u>723,040</u>	<u>-</u>	<u>723,040</u>
Total expenses	<u>4,555,750</u>	<u>-</u>	<u>4,555,750</u>
 Total change in net assets	1,134,066	4,407,121	5,541,187
Net assets (deficit) at beginning of year	<u>(164,401)</u>	<u>14,152,603</u>	<u>13,988,202</u>
Net assets at end of year	<u>\$ 969,665</u>	<u>\$ 18,559,724</u>	<u>\$19,529,389</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, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,527,061	\$ 5,541,187
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized loss (gain) on investments	2,432,278	(1,441,146)
Realized gain on sale of investments	(681,781)	(1,060,649)
Amortization of debt issuance costs and bond premium	1,468	(121,153)
Depreciation	334,693	334,693
Changes in operating assets and liabilities		
Decrease (Increase) in promises to give, net	4,611	(178,622)
Increase in Bateman student loan	(738)	(6,652)
Decrease in prepaid expenses	-	8,599
Decrease (Increase) in investment in direct financing lease	1,990,354	(7,321,832)
Increase in accounts payable	355,326	-
Decrease in accrued expenses	(5,000)	(30,738)
(Decrease) Increase in accrued interest	(36,944)	16,150
(Decrease) Increase in deferred revenue	<u>(8,360,657)</u>	<u>8,360,657</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,560,671	4,100,494
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	5,211,054	2,658,667
Purchases of investments	(5,871,057)	(3,320,237)
Proceeds from sale of assets	<u>(1,770,268)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	(2,430,271)	(661,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bond proceeds	-	32,908,711
Principal payments on bonds and note payable	<u>(27,440,000)</u>	<u>(3,398,352)</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(27,440,000)</u>	<u>29,510,359</u>
NET CHANGE IN CASH	(27,309,600)	32,949,283
CASH AT BEGINNING OF YEARS	<u>41,724,571</u>	<u>8,775,288</u>
CASH AT END OF YEARS	\$ <u>14,414,971</u>	\$ <u>41,724,571</u>
SUPPLEMENTARY DISCLOSURE:		
Cash paid for interest	\$ <u>2,281,880</u>	\$ <u>2,645,595</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, 2022 AND 2021

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 consolidated 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, 2022 and 2021, 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.

Recent accounting guidance

ASU No. 2016-02 Leases (Topic 842)

FASB issued ASU 2016-02, Leases (Topic 842), which will require organizations to recognize assets and liabilities on the balance sheet for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed twelve months. The standard will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. ASU No. 2020-05 delayed the application of the new leases standard for one year. As a result, the leases standard is effective for the Foundation's fiscal year ended June 30, 2023.

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 present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and disclose the following: (1) A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. (2) For each category of contributed nonfinancial assets recognized, qualitative information about whether nonfinancial assets were monetized or utilized; the NFP's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; donor-imposed restrictions associated with contributed nonfinancial assets; and valuation techniques, inputs, and the principal market used for determining fair value. This ASU is effective for the Foundation's fiscal year ended June 30, 2023. Retrospective basis is used for implementation.

The Foundation is currently evaluating the impact of the adoptions for both standards on the financial statements.

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, 2022.

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 2019.

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.

Subsequent events

Subsequent events have been evaluated through September 6, 2022, which is the date the financial statements were available to be issued.

3. PROMISES TO GIVE, NET

Unconditional promises to give at June 30, 2022 and 2021 are as follows:

Expected to be collected in:	2022	2021
Less than one year	\$ 346,808	\$ 212,827
More than one year	<u>20,196</u>	<u>158,788</u>
Total	<u>\$ 367,044</u>	<u>\$ 371,615</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 1.5% and 1% for years ended June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the discount on the long-term promises to give was \$304 and \$2,712, respectively.

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

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. The Foundation maintains cash balances that may exceed insured limits as of June 30, 2022. As of June 30, 2022, The Foundation held funds of \$12,730,099 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. PROPERTY AND EQUIPMENT

Property and Equipment at June 30, 2022 and 2021 consisted of the following:

	2022	2021
Improvements	\$ 8,266,173	\$ 8,266,173
Construction in progress	1,770,268	-
Accumulated depreciation	<u>(1,961,516)</u>	<u>(1,626,823)</u>
Property and equipment, net	<u>\$ 8,074,925</u>	<u>\$ 6,639,350</u>

6. INVESTMENTS

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>

Investments at June 30, 2021 are recorded at fair value and are comprised of the following:

	Cost	Fair Value
Short-term investments:		
Board of Regents pooled investment funds	\$ 2,558,443	\$ 2,630,712
Long-term investments:		
Board of Regents pooled investment funds	10,340,485	12,657,000
Long-term investments:		
Real estate	<u>324,500</u>	<u>324,500</u>
	<u>\$13,223,428</u>	<u>\$15,612,212</u>

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

6. INVESTMENTS - Continued

Investment fees for the years ended June 30, 2022 and 2021 totaled \$16,762 and \$11,258, respectively, and are netted with the unrealized losses and gains in the accompanying Combined Statements of Activities.

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, 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.

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, 2021:

	Total	Level 1	Level 2	Level 3
Board of Regents Pooled Investment Funds				
Diversified fund	\$11,695,368	\$11,695,368	\$ -	\$ -
Balanced income	961,632	961,632	-	-
Short term	2,630,712	2,630,712	-	-
Commercial real estate	<u>324,500</u>	<u>-</u>	<u>324,500</u>	<u>-</u>
	<u>\$15,612,212</u>	<u>\$15,287,712</u>	<u>\$ 324,500</u>	<u>\$ -</u>

The commercial real estate's value is based on appraisals of the donated property.

8. NET ASSETS

Net assets with donor restrictions were available for the following purposes at June 30, 2022 and 2021:

	2022	2021
Subject to expenditures for specific purpose:		
Scholarships	\$ 3,974,174	\$ 7,645,487
Various other	3,797,129	3,095,747
Salary supplements	<u>500,000</u>	<u>500,000</u>
	8,271,303	11,241,234
Subject to restriction in perpetuity:		
Corpus	<u>9,623,861</u>	<u>7,318,490</u>
Total net assets with donor restrictions	<u>\$17,895,164</u>	<u>\$ 18,559,724</u>

Net assets subject to restriction in perpetuity include \$530,238 for the Charles S Conklin II trust for the years ended June 30, 2022 and 2021.

Net assets with donor restrictions released from restrictions were as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Scholarships	\$ 1,882,587	\$ 319,964
Various other	<u>-</u>	<u>869,601</u>
Total released from restrictions	<u>\$ 1,882,587</u>	<u>\$ 1,189,565</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>
2023	\$ 1,315,000	\$ 1,348,694
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
thereafter	<u>26,100,000</u>	<u>6,887,431</u>
	32,995,000	13,040,151
Bond premium	2,455,372	-
Issuance costs	<u>(1,561,066)</u>	-
Total	<u>\$ 33,889,366</u>	<u>\$ 13,040,151</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, 2022 and 2021.

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>
2023	\$ 835,000	\$ 1,302,994
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
thereafter	<u>24,715,000</u>	<u>9,455,316</u>
	29,320,000	15,531,786
Bond premium	5,171,636	-
Issuance costs	<u>(613,909)</u>	-
Total	<u>\$ 33,877,727</u>	<u>\$ 15,531,786</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, 2022 and 2021.

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, 2022, the Board of Regents has exercised its renewal option for the period from July 1, 2022 through June 30, 2023.

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, 2022 are as follows:

Minimum lease payment receivable	\$ 24,836,321
Less unearned income	<u>(8,913,933)</u>
Net investment in direct financing lease	<u>\$ 15,922,388</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, 2022, the Board of Regents has exercised its renewal option for the period from July 1, 2022 through June 30, 2023.

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, 2022 are as follows:

Minimum lease payment receivable	\$ 24,709,686
Less unearned income	<u>(11,063,998)</u>
Net investment in direct financing lease	<u>\$ 13,645,688</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, 2022, the Board of Regents has exercised its renewal option for the period from July 1, 2022 through June 30, 2023.

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, 2022 are as follows:

Minimum lease payment receivable	\$ 51,321,354
Less unearned income	<u>(22,836,354)</u>
Net investment in direct financing lease	<u>\$ 28,485,000</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, 2022 and 2021:

Balance as of June 30, 2020	\$ 5,518,091
2021 Contributions	<u>1,800,399</u>
Balance as of June 30, 2021	7,318,490
2022 Contributions	<u>2,305,371</u>
Balance as of June 30, 2022	<u>\$ 9,623,861</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, 2022, 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	\$ 4,704,331
Restricted cash	9,710,640
Short term investments	2,712,479
Promises to give, net	<u>367,004</u>
Financial assets, at year-end	<u>17,494,454</u>
Less amounts unavailable to be used within one year:	
Restricted cash	(9,710,640)
Long-term promises to give, net	<u>(20,196)</u>
Amounts unavailable to be used within one year	<u>(9,730,836)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 7,763,618</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, 2022 and 2021 was \$1,710,751 and \$2,133,623, respectively.

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

14. CONTRIBUTED GOODS AND SERVICES

The Foundation records various types of in-kind contributions. 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 contributions are offset by like amounts included in expenses. The Foundation received contributed goods during the year ended June 30, 2022, with a fair value on the dates of donation of \$56,337. The Foundation received contributed services during the year ended June 30, 2022, with a fair value on the dates of donation of \$31,620. The Foundation did not receive any contributed goods or services for year ended June 30, 2021.

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, 2022 and 2021 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 6, 2022

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 Financial Position
June 30, 2021

	Foundation	Real Estate I	Real Estate II	Real Estate III	Total
ASSETS					
Cash	\$ 3,344,687	\$ 238,787	\$ 365,228	\$ 61,117	\$ 4,009,819
Restricted cash for bond repayments	-	3,394,013	34,320,739	-	37,714,752
Short-term investments	2,630,712	-	-	-	2,630,712
Investments held on behalf of related party	2,133,623	-	-	-	2,133,623
Bateman student loan	72,945	-	-	-	72,945
Promises to give, net	371,615	-	-	-	371,615
Prepaid expenses	2,502	-	-	-	2,502
Property and equipment, net	-	-	6,639,350	-	6,639,350
Investment in direct financing lease	-	30,723,430	29,320,000	-	60,043,430
Long-term investments	12,981,500	-	-	-	12,981,500
TOTAL ASSETS	\$ 21,537,584	\$ 34,356,230	\$ 70,645,317	\$ 61,117	\$ 126,600,248
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accrued expenses	\$ 8,166	\$ -	\$ -	\$ -	\$ 8,166
Accrued interest	-	698,447	664,341	-	1,362,788
Due to related party	2,133,623	-	-	-	2,133,623
Deferred revenue	-	-	8,360,657	-	8,360,657
Bonds payable	-	35,150,264	60,055,361	-	95,205,625
TOTAL LIABILITIES	2,141,789	35,848,711	69,080,359	-	107,070,859
NET ASSETS (DEFICIT)					
Without donor restrictions					
Undesignated	836,071	(1,492,481)	1,564,958	61,117	969,665
Total net assets without donor restrictions	836,071	(1,492,481)	1,564,958	61,117	969,665
With donor restrictions					
Restricted by purpose or time	11,241,234	-	-	-	11,241,234
Restricted in perpetuity	7,318,490	-	-	-	7,318,490
Total net assets with donor restrictions	18,559,724	-	-	-	18,559,724
TOTAL NET ASSETS (DEFICIT)	19,395,795	(1,492,481)	1,564,958	61,117	19,529,389
TOTAL LIABILITIES AND NET ASSETS	\$ 21,537,584	\$ 34,356,230	\$ 70,645,317	\$ 61,117	\$ 126,600,248

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
Grants and honorariums	102,534	-	-	-	102,534
Other	100,697	-	-	-	100,697
Student honors and recognition	87,824	-	-	-	87,824
Eminent scholar	19,000	-	-	-	19,000
Insurance	4,068	-	-	-	4,068
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
Events	262,175	-	-	-	262,175
Supplies and services	195,798	15,772	31,658	65	243,293
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 realized gain on investments	681,781	-	-	-	681,781
Net unrealized loss on investments	(2,432,278)	-	-	-	(2,432,278)
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

Clayton State University Foundation, Inc.
Combining Schedule of Activities
For the Year Ended June 30, 2021

	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	\$ 50,237	\$ 1,687,242	\$ 1,063,149	\$ 137,747	\$ 2,938,375
Rental revenue	-	225,524	4,378,811	(3,081,644)	1,522,691
Other revenue	37,685	1,500	-	-	39,185
Revenues, gains, and other support	87,922	1,914,266	5,441,960	(2,943,897)	4,500,251
Net assets released from restriction	1,189,565	-	-	-	1,189,565
Total revenues, gains, and other support	1,277,487	1,914,266	5,441,960	(2,943,897)	5,689,816
Expenses					
Program services					
Interest expense	75	1,375,742	979,169	218,275	2,573,261
Scholarships	565,055	-	-	-	565,055
Depreciation	-	-	334,693	-	334,693
Travel and meetings	7,977	-	-	-	7,977
Grants and honorariums	205,760	-	-	-	205,760
Other	76,518	-	-	-	76,518
Student honors and recognition	18,572	-	-	-	18,572
Insurance	-	-	-	50,874	50,874
Total program services	873,957	1,375,742	1,313,862	269,149	3,832,710
Supporting services					
Professional services	187,241	-	297,588	-	484,829
Events	15,115	-	-	-	15,115
Supplies and services	182,103	16,851	24,031	111	223,096
Total supporting services	384,459	16,851	321,619	111	723,040
Total expenses	1,258,416	1,392,593	1,635,481	269,260	4,555,750
Change in net assets without donor restrictions before transfers	19,071	521,673	3,806,479	(3,213,157)	1,134,066
Transfers	164,000	(82,000)	(3,632,443)	3,550,443	-
Total change in net assets without donor restrictions	183,071	439,673	174,036	337,286	1,134,066
Changes in net assets with donor restrictions					
Revenues, gains, and other support					
Contributions	2,876,282	-	-	-	2,876,282
Dividends and interest income	218,609	-	-	-	218,609
Net realized gain on investments	1,060,649	-	-	-	1,060,649
Net unrealized gain on investments	1,441,146	-	-	-	1,441,146
Revenues, gains, and other support	5,596,686	-	-	-	5,596,686
Net assets released from restriction	(1,189,565)	-	-	-	(1,189,565)
Total revenues, gains, and other support	4,407,121	-	-	-	4,407,121
Change in net assets with donor restrictions	4,407,121	-	-	-	4,407,121
Total change in net assets from operations	4,590,192	439,673	174,036	337,286	5,541,187
Gain on retirement of bonds	-	-	-	-	-
Total change in net assets	4,590,192	439,673	174,036	337,286	5,541,187
Net assets (deficit) at the beginning of the year	14,805,603	(1,932,154)	1,390,922	(276,169)	13,988,202
Net assets (deficit) at the end of the year	\$ 19,395,795	\$ (1,492,481)	\$ 1,564,958	\$ 61,117	\$ 19,529,389

See auditor's report on supplementary information