

**CLAYTON STATE UNIVERSITY  
FOUNDATION, INC.**

**COMBINED FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**With Independent Auditor's Report Thereon**

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 statement of financial position as of June 30, 2021 and 2020 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, 2021 and 2020, 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  
October 4, 2021

CLAYTON STATE UNIVERSITY FOUNDATION, INC.  
 COMBINED STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash	\$ 4,009,819	\$ 2,772,758
Restricted cash for bond repayments	37,714,752	6,002,530
Short-term investments	2,630,712	3,407,479
Investments held on behalf of related party	2,133,623	1,708,869
Bateman student loan	72,945	66,293
Pledges receivable	371,615	192,993
Prepaid expenses	2,502	11,101
Property and equipment, net	6,639,350	6,974,043
Investment in direct financing lease	60,043,430	52,721,598
Long-term investments	<u>12,981,500</u>	<u>9,041,368</u>
<b>TOTAL ASSETS</b>	<b><u>\$126,600,248</u></b>	<b><u>\$ 82,899,032</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accrued expenses	\$ 8,166	\$ 38,904
Accrued interest	1,362,788	1,346,638
Due to related party	2,133,623	1,708,869
Deferred revenue	8,360,657	-
Notes payable	-	3,682,299
Bonds payable	<u>95,205,625</u>	<u>62,134,120</u>
<b>TOTAL LIABILITIES</b>	<b>107,070,859</b>	<b>68,910,830</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	<u>969,665</u>	<u>(164,401)</u>
Total net assets without donor restrictions	969,665	(164,401)
With donor restrictions		
Restricted by purpose or time	11,241,234	8,634,512
Restricted in perpetuity	<u>7,318,490</u>	<u>5,518,091</u>
Total net assets with donor restrictions	<u>18,559,724</u>	<u>14,152,603</u>
<b>TOTAL NET ASSETS</b>	<b><u>19,529,389</u></b>	<b><u>13,988,202</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$126,600,248</u></b>	<b><u>\$ 82,899,032</u></b>

*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

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ -	\$ 2,876,282	\$ 2,876,282
Dividends and interest revenue	2,938,375	218,609	3,156,984
Rental revenue	1,522,691	-	1,522,691
In-kind revenue	-	-	-
Other revenue	39,185	-	39,185
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	<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
Grants and honorariums	205,760	-	205,760
Other	76,518	-	76,518
Insurance	50,874	-	50,874
Student honors and recognition	18,572	-	18,572
Travel and meetings	7,977	-	7,977
Total program services	<u>3,832,710</u>	<u>-</u>	<u>3,832,710</u>
Supporting services			
Professional services	484,829	-	484,829
Supplies and services	223,096	-	223,096
Events	15,115	-	15,115
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 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ 25,706	\$ 5,206,063	\$ 5,231,769
Dividends and interest revenue	2,949,385	181,229	3,130,614
Rental revenue	967,286	-	967,286
In-kind revenue	111,643	-	111,643
Other revenue	42,751	-	42,751
Net realized loss on investments	-	(17,561)	(17,561)
Net unrealized loss on investments	-	(45,470)	(45,470)
Revenues, gains, and other support	<u>4,096,771</u>	<u>5,324,261</u>	<u>9,421,032</u>
Net assets released from restriction	<u>1,324,429</u>	<u>(1,324,429)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,421,200</u>	<u>3,999,832</u>	<u>9,421,032</u>
Expenses			
Program services			
Interest expense	2,898,591	-	2,898,591
Scholarships	679,607	-	679,607
Depreciation	334,693	-	334,693
Grants and honorariums	108,398	-	108,398
Other	30,946	-	30,946
Insurance	13,483	-	13,483
Student honors and recognition	13,502	-	13,502
Travel and meetings	62,858	-	62,858
In-kind expenses	111,643	-	111,643
Eminent scholar	19,000	-	19,000
Advancement	6,368	-	6,368
Total program services	<u>4,279,089</u>	<u>-</u>	<u>4,279,089</u>
Supporting services			
Supplies and services	758,853	-	758,853
Professional services	208,039	-	208,039
Events	144,242	-	144,242
Total supporting services	<u>1,111,134</u>	<u>-</u>	<u>1,111,134</u>
Total expenses	<u>5,390,223</u>	<u>-</u>	<u>5,390,223</u>
Total change in net assets from operations	30,977	3,999,832	4,030,809
Loss on sale of assets	<u>(1,030,000)</u>	<u>-</u>	<u>(1,030,000)</u>
Total change in net assets (deficit)	(999,023)	3,999,832	3,000,809
Net assets at beginning of year	<u>834,622</u>	<u>10,152,771</u>	<u>10,987,393</u>
Net assets (deficit) at end of year	<u>\$ (164,401)</u>	<u>\$ 14,152,603</u>	<u>\$13,988,202</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, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,541,187	\$ 3,000,809
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Unrealized (gain) loss on investments	(1,441,146)	45,470
Realized (gain) loss on sale of investments	(1,060,649)	17,561
Amortization of debt issuance costs and bond premium	(121,153)	(14,901)
In-kind donations	-	(111,643)
Non-cash expense related to in-kind donations	-	111,643
Depreciation	334,693	334,693
Changes in operating assets and liabilities		
(Increase) Decrease in pledges receivable	(178,622)	265,922
Increase in Bateman student loan	(6,652)	(8,016)
Decrease (Increase) in prepaid expenses	8,599	(1,258)
(Increase) Decrease in investment in direct financing lease	(7,321,832)	1,932,512
Decrease in accounts payable	-	(124,876)
(Decrease) Increase in accrued expenses	(30,738)	29,571
Increase (Decrease) in accrued interest	16,150	(87,024)
Increase in deferred revenue	<u>8,360,657</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,100,494	5,390,463
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments	2,658,667	159,410
Purchases of investments	(3,320,237)	(4,519,199)
Proceeds from sale of assets	-	225,000
Loss on sale of asset	<u>-</u>	<u>1,030,000</u>
NET CASH USED IN INVESTING ACTIVITIES	(661,570)	(3,104,789)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bond proceeds	32,908,711	-
Principal payments on bonds and note payable	<u>(3,398,352)</u>	<u>(1,871,620)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>29,510,359</u>	<u>(1,871,620)</u>
NET CHANGE IN CASH	32,949,283	414,054
CASH AT BEGINNING OF YEARS	<u>8,775,288</u>	<u>8,361,234</u>
CASH AT END OF YEARS	<u>\$ 41,724,571</u>	<u>\$ 8,775,288</u>
SUPPLEMENTARY DISCLOSURE:		
Cash paid for interest	<u>\$ 2,645,595</u>	<u>\$ 3,000,517</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, 2021 AND 2020

**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.

**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 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.

Revenues are reported 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, net assets are



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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Basis of accounting (continued)**

reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are reported.

**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.

**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, 2021 and 2020, the Foundation had no cash equivalents.

**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.

**Recent accounting guidance**

*ASU No. 2016-02 Leases (Topic 742)*

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, 2022. Early application is permitted.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*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, 2022. Retrospective basis is used for implementation.

**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, 2021.

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 2018.

**Functional allocation of expenses**

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

**Reclassifications**

Certain reclassifications have been made to the prior year's financial statements to conform them to the current year's presentation.

**Subsequent events**

Subsequent events have been evaluated through October 4, 2021, which is the date the financial statements were available to be issued.

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

**3. PLEDGES RECEIVABLE**

Unconditional promises to give at June 30, 2021 and 2020 are as follows:

Expected to be collected in:	2021	2020
Less than one year	\$ 212,827	\$ 142,127
More than one year	<u>158,788</u>	<u>50,866</u>
Total	<u>\$ 371,615</u>	<u>\$ 192,993</u>

Management believes that all receivables are collectible, therefore an allowance has not been calculated. At June 30, 2021 and 2020 the discount on the long-term pledges receivable was \$2,712 and \$2,009, respectively.

**4. PROPERTY AND EQUIPMENT**

Property and Equipment at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Improvements	\$ 8,266,173	\$ 8,266,173
Accumulated depreciation	<u>(1,626,823)</u>	<u>(1,292,130)</u>
Property and equipment, net	<u>\$ 6,639,350</u>	<u>\$ 6,974,043</u>

**5. INVESTMENTS**

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>

Investments at June 30, 2020 are recorded at fair value and are comprised of the following:

	Cost	Fair Value
Short-term investments:		
Board of Regents pooled investment funds	\$ 3,289,207	\$ 3,407,479
Long-term investments:		
Board of Regents pooled investment funds	7,945,339	8,716,868
Long-term investments:		
Real estate	<u>324,500</u>	<u>324,500</u>
	<u>\$11,559,046</u>	<u>\$12,448,847</u>

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

**5. INVESTMENTS - Continued**

Investment fees for the years ended June 30, 2021 and 2020 totaled \$11,258 and \$10,589, respectively, and are netted with the unrealized gains in the accompanying Combined Statements of Activities.

**6. 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, 2021:

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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>

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, 2021.

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

**6. 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, 2020:

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Board of Regents Pooled Investment Funds				
Diversified fund	\$ 7,850,747	\$ 7,850,747	\$ -	\$ -
Balanced income	866,121	866,121	-	-
Short term	3,407,479	3,407,479	-	-
Commercial real estate	<u>324,500</u>	<u>-</u>	<u>324,500</u>	<u>-</u>
	<u>\$12,448,847</u>	<u>\$12,124,347</u>	<u>\$ 324,500</u>	<u>\$ -</u>

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

**7. NET ASSETS**

Net assets with donor restrictions were available for the following purposes at June 30, 2021 and 2020:

	2021	2020
Subject to expenditures for specific purpose:		
Scholarships	\$ 7,645,487	\$ 5,613,513
Various other	3,095,747	2,520,999
Salary supplements	<u>500,000</u>	<u>500,000</u>
	11,241,234	8,634,512
Subject to restriction in perpetuity:		
Corpus	<u>7,318,490</u>	<u>5,518,091</u>
Total net assets with donor restrictions	<u>\$18,559,724</u>	<u>\$ 14,152,603</u>

Net assets subject to restriction in perpetuity include \$530,238 for the Charles S Conklin II trust for the years ended June 30, 2021 and 2020.

Net assets with donor restrictions released from restrictions were as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Various other	\$ 869,601	\$ 1,054,775
Scholarships	<u>319,964</u>	<u>269,654</u>
Total released from restrictions	<u>\$ 1,189,565</u>	<u>\$ 1,324,429</u>

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

**8. 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>
2022	\$ 1,205,000	\$ 1,396,894
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
thereafter	<u>27,594,999</u>	<u>7,992,474</u>
	34,199,999	14,437,044
Bond premium	2,608,833	-
Issuance costs	<u>(1,658,568)</u>	-
Total	<u>\$ 35,150,264</u>	<u>\$ 14,437,044</u>

Interest is payable semi-annually on January 1<sup>st</sup> and July 1<sup>st</sup> 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, 2021 and 2020.

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

**8. BONDS PAYABLE – Continued**

**Series 2011 Revenue Bonds**

On June 29, 2011, the Foundation through its subsidiary CSUFRE2 issued Series 2011 revenue bonds in the face value amount of \$28,925,000. The proceeds of the Series 2011 Bonds will be applied to (a) finance or reimburse in whole or in part the cost of the acquisition, improvement and installation of certain land, buildings, structures, equipment and related real and personal property to be used as student housing facilities known as “Clayton Station Apartments” containing 221 units with approximately 854 beds and related site amenities, including surface parking (the “Acquired Project”), located adjacent to the campus of Clayton State University (“CSU”), a unit of the University System of Georgia; (b) fund capitalized interest on the Series 2011 Bonds; (c) fund a debt service reserve fund; and (d) pay costs of issuance of the Series 2011 Bonds.

CSUFRE2 has entered into a ground lease 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. CSUFRE2 shall use the Rents as follows: (1) CSUFRE2 shall pay the amount needed for the semiannual Debt Service Requirement in accordance with the rent schedule directly to the Trustee for deposit in the Bond Fund and (2) CSUFRE2 shall pay the amount needed for the semiannual Replacement Requirement in accordance with the rent schedule directly to the Trustee for deposit in the Replacement Fund. The CSUFRE2 shall use the remainder of the Rents to pay (i) the fees 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 CSUFRE2 with respect to the Project.

Annual maturities for the bonds are set forth below:

<u>Year ending</u>	<u>Future Debt Service Required</u>	
June 30	Principal	Interest
2022	\$ 25,800,000	\$ 614,235
Bond discount	(285,252)	-
Issuance costs	(346,700)	-
Total	\$ 25,168,048	\$ 614,235

All bond obligations were fulfilled as of July 1, 2021.

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

**8. 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>
2022	\$ 435,000	\$ 257,589
2023	835,000	1,302,994
2024	875,000	1,261,244
2025	920,000	1,217,494
2026	965,000	1,171,494
thereafter	<u>25,725,000</u>	<u>10,578,560</u>
	29,755,000	15,789,375
Bond premium	5,430,217	-
Issuance costs	<u>(297,904)</u>	-
Total	<u>\$ 34,887,313</u>	<u>\$ 15,789,375</u>

Interest is payable semi-annually on December 1<sup>st</sup> and June 1<sup>st</sup> 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, 2021 and 2020.



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

9. 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, 2021, the Board of Regents has exercised its renewal option for the period from July 1, 2020 through June 30, 2021.

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 are as follows:

Minimum lease payment receivable	\$ 26,478,029
Less unearned income	<u>(9,762,291)</u>
Net investment in direct financing lease	<u>\$ 16,715,738</u>

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

9. 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, 2021, the Board of Regents has exercised its renewal option for the period from July 1, 2020 through June 30, 2021.

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 are as follows:

Minimum lease payment receivable	\$ 26,088,700
Less unearned income	<u>(12,081,008)</u>
Net investment in direct financing lease	<u>\$ 14,007,692</u>

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

9. 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, 2021, the Board of Regents has exercised its renewal option for the period from July 1, 2021 through June 30, 2022.

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 are as follows:

Minimum lease payment receivable	\$ 53,792,953
Less unearned income	<u>(24,472,953)</u>
Net investment in direct financing lease	<u>\$ 29,320,000</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

**10. 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

**10. 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, 2021 and 2020:

Balance as of June 30, 2019	\$ 4,083,337
2020 Contributions	<u>1,434,754</u>
Balance as of June 30, 2020	5,518,091
2021 Contributions	<u>1,800,399</u>
Balance as of June 30, 2021	<u>\$ 7,318,490</u>

**11. SIGNIFICANT TRANSACTIONS**

Approximately 14% of revenue for the year ended June 30, 2021 was from 1 donor.

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, 2021, 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	\$ 4,009,819
Restricted cash	37,714,752
Short term investments	2,630,712
Pledges receivable	<u>371,615</u>
Financial assets, at year-end	<u>44,726,898</u>
Less amounts unavailable to be used within one year:	
Restricted cash	(37,714,752)
Net assets with time restrictions	<u>(158,788)</u>
Amounts unavailable to be used within one year	<u>(37,873,540)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 6,853,358</u>

**13. CONCENTRATION OF CREDIT RISK**

At certain times throughout the year, the Foundation had cash balances in certain accounts in excess of federally insured limits. Management does not believe this situation creates any undue risk to the Foundation.

**14. 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, 2021 is \$2,133,623.

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

**15. COMMITMENT AND CONTINGENCY**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Foundation is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Foundation's donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's financial statements is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**16. SUBSEQUENT EVENTS**

On July 1, 2021, a portion of the proceeds from the Series 2021 Revenue Bonds were used to stratify the remaining obligations of the Series 2011 Revenue Bonds.

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, 2021 and 2020 appears on page 1. 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  
October 4, 2021



Clayton State University Foundation, Inc.  
Combining Schedule of Financial Position  
June 30, 2021

	Foundation	Real Estate I	Real Estate II	Real Estate III	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,344,687	\$ 238,787	\$ 365,228	\$ 61,117	\$ 4,009,819
Restricted cash	-	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
Pledges receivable	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
<b>TOTAL ASSETS</b>	<b>\$ 21,537,584</b>	<b>\$ 34,356,230</b>	<b>\$ 70,645,317</b>	<b>\$ 61,117</b>	<b>\$ 126,600,248</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
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
Notes payable	-	-	-	-	-
Bonds payable	-	35,150,264	60,055,361	-	95,205,625
<b>TOTAL LIABILITIES</b>	<b>2,141,789</b>	<b>35,848,711</b>	<b>69,080,359</b>	<b>-</b>	<b>107,070,859</b>
<b>NET ASSETS (DEFICIT)</b>					
<b>Without donor restrictions</b>					
Undesignated	836,071	(1,492,481)	1,564,958	61,117	969,665
<b>Total net assets without donor restrictions</b>	<b>836,071</b>	<b>(1,492,481)</b>	<b>1,564,958</b>	<b>61,117</b>	<b>969,665</b>
<b>With donor restrictions</b>					
Restricted by purpose or time	11,241,234	-	-	-	11,241,234
Restricted in perpetuity	7,318,490	-	-	-	7,318,490
<b>Total net assets with donor restrictions</b>	<b>18,559,724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,559,724</b>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>19,395,795</b>	<b>(1,492,481)</b>	<b>1,564,958</b>	<b>61,117</b>	<b>19,529,389</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 21,537,584</b>	<b>\$ 34,356,230</b>	<b>\$ 70,645,317</b>	<b>\$ 61,117</b>	<b>\$ 126,600,248</b>

See auditor's report on supplementary information

Clayton State University Foundation, Inc.  
Combining Schedule of Financial Position  
June 30, 2020

	Foundation	Real Estate I	Real Estate II	Real Estate III	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,133,872	\$ 243,293	\$ 345,615	\$ 49,978	\$ 2,772,758
Restricted cash	-	3,085,071	2,917,459	-	6,002,530
Short-term investments	3,407,479	-	-	-	3,407,479
Investments held on behalf of related party	1,708,869	-	-	-	1,708,869
Bateman student loan	66,293	-	-	-	66,293
Pledges receivable	192,993	-	-	-	192,993
Prepaid expenses	2,502	-	-	8,599	11,101
Property and equipment, net	-	-	6,974,043	-	6,974,043
Investment in direct financing lease	-	31,766,095	17,607,950	3,347,553	52,721,598
Long-term investments	9,041,368	-	-	-	9,041,368
<b>TOTAL ASSETS</b>	<b>\$ 16,553,376</b>	<b>\$ 35,094,459</b>	<b>\$ 27,845,067</b>	<b>\$ 3,406,130</b>	<b>\$ 82,899,032</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	38,904	-	-	-	38,904
Accrued interest	-	720,447	626,191	-	1,346,638
Due to related party	1,708,869	-	-	-	1,708,869
Notes payable	-	-	-	3,682,299	3,682,299
Bonds payable	-	36,306,166	25,827,954	-	62,134,120
<b>TOTAL LIABILITIES</b>	<b>1,747,773</b>	<b>37,026,613</b>	<b>26,454,145</b>	<b>3,682,299</b>	<b>68,910,830</b>
<b>NET ASSETS (DEFICIT)</b>					
<b>Without donor restrictions</b>					
Undesignated	653,000	(1,932,154)	1,390,922	(276,169)	(164,401)
<b>Total net assets without donor restrictions</b>	<b>653,000</b>	<b>(1,932,154)</b>	<b>1,390,922</b>	<b>(276,169)</b>	<b>(164,401)</b>
<b>With donor restrictions</b>					
Restricted by purpose or time	8,634,512	-	-	-	8,634,512
Restricted in perpetuity	5,518,091	-	-	-	5,518,091
<b>Total net assets with donor restrictions</b>	<b>14,152,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,152,603</b>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>14,805,603</b>	<b>(1,932,154)</b>	<b>1,390,922</b>	<b>(276,169)</b>	<b>13,988,202</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 16,553,376</b>	<b>\$ 35,094,459</b>	<b>\$ 27,845,067</b>	<b>\$ 3,406,130</b>	<b>\$ 82,899,032</b>

See auditor's report on supplementary information

Clayton State University Foundation, Inc.  
Combining Schedule of Activities  
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					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
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
In-kind revenue	-	-	-	-	-
Other revenue	37,685	1,500	-	-	39,185
Net assets released from restriction	1,189,565	-	-	-	1,189,565
<b>Total revenues, gains, and other supports</b>	<b>1,277,487</b>	<b>1,914,266</b>	<b>5,441,960</b>	<b>(2,943,897)</b>	<b>5,689,816</b>
Expenses					
Program service					
Interest expense	75	1,375,742	979,169	218,275	2,573,261
Scholarships	565,055	-	-	-	565,055
Depreciation	-	-	334,693	-	334,693
In-kind expenses	-	-	-	-	-
Grants and honorariums	205,760	-	-	-	205,760
Other	76,518	-	-	-	76,518
Insurance	-	-	-	50,874	50,874
Student honors and recognition	18,572	-	-	-	18,572
Travel and meetings	7,977	-	-	-	7,977
Eminent scholar advancement	-	-	-	-	-
<b>Total program service</b>	<b>873,957</b>	<b>1,375,742</b>	<b>1,313,862</b>	<b>269,149</b>	<b>3,832,710</b>
Supporting services					
Supplies and services	182,103	16,851	24,031	111	223,096
Professional services	187,241	-	297,588	-	484,829
Events	15,115	-	-	-	15,115
<b>Total supporting services</b>	<b>384,459</b>	<b>16,851</b>	<b>321,619</b>	<b>111</b>	<b>723,040</b>
<b>Total expenses</b>	<b>1,258,416</b>	<b>1,392,593</b>	<b>1,635,481</b>	<b>269,260</b>	<b>4,555,750</b>
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	-
<b>Total change in net assets without donor restrictions</b>	<b>183,071</b>	<b>439,673</b>	<b>174,036</b>	<b>337,286</b>	<b>1,134,066</b>
Changes in net assets with donor restrictions					
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 loss on investments	1,441,146	-	-	-	1,441,146
Net assets released from restriction	(1,189,565)	-	-	-	(1,189,565)
<b>Change in net assets with donor restrictions</b>	<b>4,407,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,407,121</b>
<b>Total change in net assets from operations</b>	<b>4,590,192</b>	<b>439,673</b>	<b>174,036</b>	<b>337,286</b>	<b>5,541,187</b>
Loss on sale of assets	-	-	-	-	-
<b>Total change in net assets</b>	<b>4,590,192</b>	<b>439,673</b>	<b>174,036</b>	<b>337,286</b>	<b>5,541,187</b>
Net assets at the beginning of the year	14,805,603	(1,932,154)	1,390,922	(276,169)	13,988,202
<b>Net assets at the end of the year</b>	<b>\$ 19,395,795</b>	<b>\$ (1,492,481)</b>	<b>\$ 1,564,958</b>	<b>\$ 61,117</b>	<b>\$ 19,529,389</b>

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Clayton State University Foundation, Inc.  
Combining Schedule of Activities  
June 30, 2020

	Foundation	Real Estate I	Real Estate II	Real Estate III	Total
<b>Change in net assets without donor restrictions</b>					
<b>Revenues, gains, and other support</b>					
Contributions	\$ 25,706	\$ -	\$ -	\$ -	\$ 25,706
Dividends and interest revenue	-	1,757,410	1,021,505	170,470	2,949,385
Rental revenue	-	221,101	731,444	14,741	967,286
In-kind revenue	111,643	-	-	-	111,643
Other revenue	41,216	1,500	-	35	42,751
Net assets released from restriction	1,324,429	-	-	-	1,324,429
<b>Total revenues, gains, and other supports</b>	<b>1,502,994</b>	<b>1,980,011</b>	<b>1,752,949</b>	<b>185,246</b>	<b>5,421,200</b>
<b>Expenses</b>					
<b>Program service</b>					
Interest expense	-	1,384,997	1,282,475	231,119	2,898,591
Scholarships	679,607	-	-	-	679,607
Depreciation	-	-	334,693	-	334,693
In-kind expenses	111,643	-	-	-	111,643
Grants and honorariums	108,398	-	-	-	108,398
Travel and meetings	62,858	-	-	-	62,858
Other	30,946	-	-	-	30,946
Eminent scholar	19,000	-	-	-	19,000
Student honors and recognition	13,502	-	-	-	13,502
Insurance	-	-	-	13,483	13,483
Advancement	6,368	-	-	-	6,368
<b>Total program service</b>	<b>1,032,322</b>	<b>1,384,997</b>	<b>1,617,168</b>	<b>244,602</b>	<b>4,279,089</b>
<b>Supporting services</b>					
Supplies and services	306,127	230,300	222,360	66	758,853
Professional services	208,039	-	-	-	208,039
Events	144,242	-	-	-	144,242
<b>Total supporting services</b>	<b>658,408</b>	<b>230,300</b>	<b>222,360</b>	<b>66</b>	<b>1,111,134</b>
<b>Total expenses</b>	<b>1,690,730</b>	<b>1,615,297</b>	<b>1,839,528</b>	<b>244,668</b>	<b>5,390,223</b>
<b>Change in net assets without donor restrictions before transfers</b>	<b>(187,736)</b>	<b>364,714</b>	<b>(86,579)</b>	<b>(59,422)</b>	<b>30,977</b>
<b>Transfers</b>	<b>164,000</b>	<b>(82,000)</b>	<b>(82,000)</b>	<b>-</b>	<b>-</b>
<b>Total change in net assets without donor restrictions</b>	<b>(23,736)</b>	<b>282,714</b>	<b>(168,579)</b>	<b>(59,422)</b>	<b>30,977</b>
<b>Changes in net assets with donor restrictions</b>					
Contributions	5,206,063	-	-	-	5,206,063
Dividends and interest income	181,229	-	-	-	181,229
Net realized gain on investments	(17,561)	-	-	-	(17,561)
Net unrealized gain on investments	(45,470)	-	-	-	(45,470)
Net assets released from restriction	(1,324,429)	-	-	-	(1,324,429)
<b>Change in net assets with donor restrictions</b>	<b>3,999,832</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,999,832</b>
<b>Total change in net assets from operations</b>	<b>3,976,096</b>	<b>282,714</b>	<b>(168,579)</b>	<b>(59,422)</b>	<b>4,030,809</b>
<b>Loss on sale of assets</b>	<b>(1,030,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,030,000)</b>
<b>Total change in net assets</b>	<b>2,946,096</b>	<b>282,714</b>	<b>(168,579)</b>	<b>(59,422)</b>	<b>3,000,809</b>
<b>Net assets at the beginning of the year</b>	<b>11,859,507</b>	<b>(2,214,868)</b>	<b>1,559,501</b>	<b>(216,747)</b>	<b>10,987,393</b>
<b>Net assets at the end of the year</b>	<b>\$ 14,805,603</b>	<b>\$ (1,932,154)</b>	<b>\$ 1,390,922</b>	<b>\$ (276,169)</b>	<b>\$ 13,988,202</b>

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