

**CLAYTON STATE UNIVERSITY  
FOUNDATION, INC.**

**COMBINED FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**With Independent Auditor's Report Thereon**

**CLAYTON STATE UNIVERSITY FOUNDATION, INC.**  
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**JUNE 30, 2024 AND 2023**

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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, 2024 and 2023 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, 2024 and 2023, 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  
December 19, 2024

CLAYTON STATE UNIVERSITY FOUNDATION, INC.  
 COMBINED STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2024 AND 2023

	2024	2023
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash	\$ 6,712,761	\$ 5,343,805
Restricted cash equivalents for bond repayments	7,259,145	7,002,827
Short-term investments	2,753,243	2,163,765
Investments held on behalf of related party	1,894,322	1,763,987
Bateman student loan	78,006	75,006
Promises to give, net	1,246,783	840,436
Prepaid expenses	2,502	2,502
Property and equipment, net	9,603,739	9,965,066
Investment in direct financing lease	53,893,504	55,968,578
Long-term investments	<u>15,094,271</u>	<u>13,689,041</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 98,538,276</u></b>	<b><u>\$ 96,815,013</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accrued expenses	\$ 38,225	\$ 16,985
Accrued interest	1,222,669	1,278,669
Due to related party	1,894,322	1,763,987
Deferred revenue	844,954	18,497
Bonds payable	<u>62,809,525</u>	<u>65,333,310</u>
<b>TOTAL LIABILITIES</b>	<b>66,809,695</b>	<b>68,411,448</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	<u>10,232,204</u>	<u>8,488,902</u>
Total net assets without donor restrictions	10,232,204	8,488,902
With donor restrictions		
Restricted by purpose or time	10,918,679	9,453,901
Restricted in perpetuity	<u>10,577,698</u>	<u>10,460,762</u>
Total net assets with donor restrictions	<u>21,496,377</u>	<u>19,914,663</u>
<b>TOTAL NET ASSETS</b>	<b><u>31,728,581</u></b>	<b><u>28,403,565</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 98,538,276</u></b>	<b><u>\$ 96,815,013</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, 2024

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

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

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

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

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

CLAYTON STATE UNIVERSITY FOUNDATION, INC.  
 COMBINED STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,325,016	\$ 2,347,115
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized gain on investments	(1,155,194)	(789,125)
Realized (gain) loss on sale of investments	(333,965)	25,158
Amortization of debt issuance costs and bond premium	(283,785)	(283,785)
Depreciation	361,327	334,693
Changes in operating assets and liabilities		
Increase in promises to give, net	(406,347)	(473,432)
Increase in Bateman student loan	(3,000)	-
Decrease in investment in direct financing lease	2,075,074	2,084,498
Decrease in accounts payable	-	(355,326)
Increase in accrued expenses	21,240	13,819
Decrease in accrued interest	(56,000)	(47,175)
Increase in deferred revenue	<u>826,457</u>	<u>17,174</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>4,370,823</b>	<b>2,873,614</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from investments	1,096,460	1,208,380
Purchases of investments	(1,602,009)	(1,775,501)
Purchases of fixed assets	<u>-</u>	<u>(2,224,834)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(505,549)</b>	<b>(2,791,955)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on bonds and note payable	<u>(2,240,000)</u>	<u>(2,149,998)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,240,000)</b>	<b>(2,149,998)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,625,274</b>	<b>(2,068,339)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>AT BEGINNING OF YEARS</b>	<u>12,346,632</u>	<u>14,414,971</u>
<b>AT END OF YEARS</b>	<u>\$ 13,971,906</u>	<u>\$ 12,346,632</u>
<b>SUPPLEMENTARY DISCLOSURE:</b>		
Cash paid for interest	<u>\$ 2,501,338</u>	<u>\$ 2,604,513</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, 2024 AND 2023

**1. ORGANIZATION**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Principles of combination**

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

**Basis of accounting**

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

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

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

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

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

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

**Basis of accounting (continued)**

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

Contributions received are recorded as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the combined statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions. Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Cash and cash equivalents**

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three month or less to be cash equivalents. For the years ended June 30, 2024 and 2023, the Foundation had cash equivalents of \$7,259,145 and \$7,002,827, respectively.

**Investments**

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

**Promises to give**

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

**Use of estimates**

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

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

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

**Property and equipment**

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

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

**Functional allocation of expenses**

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

**Reclassifications**

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

**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, 2024.

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 2021.

**Subsequent events**

Subsequent events have been evaluated through December 19, 2024, which is the date the financial statements were available to be issued.

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

**3. PROMISES TO GIVE, NET**

Unconditional promises to give at June 30, 2024 and 2023 are as follows:

Expected to be collected in:	2024	2023
Less than one year	\$ 778,616	\$ 591,300
More than one year	<u>468,167</u>	<u>249,136</u>
Total	<u>\$ 1,246,783</u>	<u>\$ 840,436</u>

Management believes that all receivables are collectible, therefore an allowance has not been calculated. The effective interest rates used to discount the promises to give was 4.5% and 4.5% for years ended June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, the discount on the long-term promises to give was \$31,833 and \$10,864, respectively.

**4. CONCENTRATION OF CREDIT RISK**

**Concentration of Cash Balances**

The Foundation maintains its funds with a financial institution that insures cash balances up to \$250,000 through the Federal Deposit Insurance Corporation. As of June 30, 2024, the Foundation held funds of \$12,741,843 that exceeded the insured limits. The Foundation performs on-going evaluations of the financial institution to limit its concentration of credit risk exposure. The Foundation has not experienced any losses in such accounts and management believes The Foundation is not exposed to any significant credit risk related to cash.

**5. RELATED PARTY TRANSACTIONS**

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

During the current year, Clayton State University entrusted the Foundation with investments for the University’s benefit. These investments are not property of the Foundation, but are only being managed by the Foundation. The balance of these investments as of June 30, 2024 and 2023 was \$1,894,322 and \$1,763,987, respectively.

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

**6. PROPERTY AND EQUIPMENT**

Property and Equipment at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Improvements	\$ 12,261,275	\$ 8,266,173
Construction in progress	-	3,995,102
Accumulated depreciation	<u>(2,657,536)</u>	<u>(2,296,209)</u>
Property and equipment, net	<u>\$ 9,603,739</u>	<u>\$ 9,965,066</u>

**7. INVESTMENTS**

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

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

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

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

Investment fees for the years ended June 30, 2024 and 2023 totaled \$18,794 and \$17,588, respectively, and are netted with the unrealized losses and gains in the accompanying Combined Statements of Activities.

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

**8. FAIR VALUE MEASUREMENTS**

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

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

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

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

The following table summarized the Foundation’s financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2024:

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

A portion of the commercial real estate’s value is based on the appraisal that was conducted as of June 30, 2012. The balance consists of real estate donated to the Foundation as of June 30, 2024.

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

**8. FAIR VALUE MEASUREMENTS - Continued**

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

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

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

**9. NET ASSETS**

Net assets with donor restrictions were available for the following purposes at June 30, 2024 and 2023:

	2024	2023
Subject to expenditures for specific purpose:		
Scholarships	\$ 6,709,492	\$ 4,769,249
Various other	3,709,187	4,184,652
Salary supplements	<u>500,000</u>	<u>500,000</u>
	10,918,679	9,453,901
Subject to restriction in perpetuity:		
Corpus	<u>10,577,698</u>	<u>10,460,762</u>
Total net assets with donor restrictions	<u>\$ 21,496,377</u>	<u>\$ 19,914,663</u>

Net assets subject to restriction in perpetuity include \$530,238 for the Charles S Conklin II trust for the years ended June 30, 2024 and 2023.

Net assets with donor restrictions released from restrictions were as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Scholarships	\$ 144,291	\$ 275,786
Various other	<u>533,283</u>	<u>203,495</u>
Total released from restrictions	<u>\$ 677,574</u>	<u>\$ 479,281</u>

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

**10. BONDS PAYABLE**

**Series 2017 Refunding Revenue Bonds**

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

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

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

Annual maturities for the bonds are set forth below:

<u>Year ending</u>	<u>Future Debt Service Required</u>	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,320,000	\$ 1,227,844
2026	1,400,000	1,175,044
2027	1,495,000	1,105,044
2028	1,545,000	1,030,294
2029	1,650,000	953,044
thereafter	<u>22,905,000</u>	<u>4,904,094</u>
	30,315,000	10,395,364
Bond premium	2,148,451	-
Issuance costs	<u>(1,365,879)</u>	-
Total	<u>\$ 31,097,572</u>	<u>\$ 10,395,364</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, 2024 and 2023.



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

**10. BONDS PAYABLE – Continued**

**Series 2021 Revenue Bonds**

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

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

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

Annual maturities for the bonds are set forth below:

<u>Year ending</u>	<u>Future Debt Service Required</u>	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 920,000	\$ 1,217,494
2026	965,000	1,171,494
2027	1,010,000	1,123,244
2028	1,065,000	1,072,744
2029	1,115,000	1,019,494
thereafter	<u>22,535,000</u>	<u>7,363,078</u>
	27,610,000	12,967,548
Bond premium	4,654,472	-
Issuance costs	<u>(552,519)</u>	-
Total	<u>\$ 31,711,953</u>	<u>\$ 12,967,548</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, 2024 and 2023.

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

**11. LEASING ARRANGEMENTS**

**Series 2017 Student Housing**

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

*Ground Lease*

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

*Facility Rental*

The organization entered into a Rental Agreement with the Board of Regents on August 15, 2007, pursuant to which the Board of Regents agreed to lease the Student Housing from the Foundation. The initial term of the Rental Agreement commenced on the first day of the first month after the issuance of the certificate of occupancy and ended on June 30, 2009. The Board of Regents has the option to renew the Rental Agreement following the initial term on a year-to-year basis for thirty (30) consecutive years. In the event of such annual renewals; the Board of Regents will pay a fixed annual rent. The certificate of Occupancy was issued in August 2008 and the initial terms commenced on September 1, 2008. At June 30, 2024, the Board of Regents has exercised its renewal option for the period from July 1, 2024 through June 30, 2025.

The lease is included in the Foundation's balance sheet as an Investment in Direct Financing Lease based on the costs to construct the building. The balance of the minimum lease payments and the unearned income decrease by the straight-line method over the life of the lease. The components of the net investment in the direct financing lease as of June 30, 2024 are as follows:

Minimum lease payment receivable	\$ 21,635,772
Less unearned income	<u>(7,309,771)</u>
Net investment in direct financing lease	<u>\$ 14,326,001</u>

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

**11. LEASING ARRANGEMENTS – Continued**

**Series 2017 Student Activities Center**

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

*Ground Lease*

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

*Facility Rental*

The Foundation entered into a Rental Agreement with the Board of Regents on August 15, 2007, pursuant to which the Board of Regents agreed to lease the Student Activities Center from the Foundation. The initial term of the Rental Agreement commenced on the first day of the first month after the issuance of the certificate of occupancy and ended on June 30, 2009. The Board of Regents has the option to renew the Rental Agreement following the initial term on a year-to-year basis for thirty (30) consecutive years. In the event of such annual renewals; the Board of Regents will pay a fixed annual rent. The certificate of Occupancy was issued in August 2008 and the initial terms commenced on September 1, 2008. At June 30, 2024, the Board of Regents has exercised its renewal option for the period from July 1, 2024 through June 30, 2025.

The lease is included in the Foundation's balance sheet as an Investment in Direct Financing Lease based on the costs to construct the building. The balance of the minimum lease payments and the unearned income decrease by the straight-line method over the life of the lease. The components of the net investment in the direct financing lease as of June 30, 2024 are as follows:

Minimum lease payment receivable	\$ 21,975,211
Less unearned income	<u>(9,097,709)</u>
Net investment in direct financing lease	<u>\$ 12,877,502</u>

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

**11. LEASING ARRANGEMENTS – Continued**

**Series 2021 Student Housing**

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

*Ground Lease*

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

*Facility Rental*

The Foundation entered into a Rental Agreement with the Board of Regents on June 29, 2011, amended on April 21, 2021 pursuant to which the Board of Regents agreed to lease student housing facilities containing approximately 854 beds and site amenities from the Foundation. The initial term of the Rental Agreement commenced at 12:00 o'clock A.M., on June 29, 2011 and ended on June 30, 2011. The Board of Regents has the option to renew the Rental Agreement following the initial term on a year-to-year basis for thirty one (31) consecutive years. In the event of such annual renewals; the Board of Regents will pay a fixed annual rent. At June 30, 2024, the Board of Regents has exercised its renewal option for the period from July 1, 2024 through June 30, 2025.

The lease is included in the Foundation's balance sheet as an Investment in Direct Financing Lease based on the costs to purchase the building. The balance of the minimum lease payments and the unearned income decrease by the straight-line method over the life of the lease. The components of the net investment in the direct financing lease as of June 30, 2024 are as follows:

Minimum lease payment receivable	\$ 46,357,051
Less unearned income	<u>(19,667,050)</u>
Net investment in direct financing lease	<u>\$ 26,690,001</u>

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

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

**12. ENDOWMENT FUNDS**

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

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

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

**12. ENDOWMENT FUNDS – Continued**

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

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

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

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

The following is a reconciliation of the endowment funds for years ended June 30, 2024 and 2023:

Balance as of June 30, 2022	\$ 9,623,861
2023 Contributions	<u>836,901</u>
Balance as of June 30, 2023	10,460,762
2024 Contributions	<u>116,936</u>
Balance as of June 30, 2024	\$ <u>10,577,698</u>

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

**13. AVAILABILITY AND LIQUIDITY**

The following represents the Foundation’s financial assets at June 30, 2024, 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	\$ 6,712,761
Restricted cash equivalents	7,259,145
Short term investments	2,753,243
Promises to give, net	<u>1,246,783</u>

Financial assets, at year-end	<u>17,971,932</u>
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Less amounts unavailable to be used within one year:

Restricted cash equivalents	(7,259,145)
Long-term promises to give, net	<u>(468,167)</u>

Amounts unavailable to be used within one year	<u>(7,727,312)</u>
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Financial assets available to meet general expenditures over the next year	<u>\$ 10,244,620</u>
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**14. IN-KIND DONATIONS**

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

In-kind donations at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Equipment	\$ -	\$ 55,750
Catering services	-	28,181
Food	<u>-</u>	<u>1,800</u>
Total	<u>\$ -</u>	<u>\$ 85,731</u>

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

**14. IN-KIND DONATIONS - Continued**

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

In-kind donations at June 30, 2024 and 2023 were utilized for the following campaigns:

	2024	2023
Visual and Performing Arts	\$ -	\$ 55,750
President's Office	-	11,503
University Advancement	-	3,950
Vice President for Academic Affairs	-	3,450
Athletics Programs	-	2,800
Student Affairs	-	1,800
Auxiliary & Admin. Services	-	1,599
Business and Operations	-	1,429
Information Technology and Services	-	1,250
Enrollment Services	-	1,200
Spivey Hall Department	-	<u>1,000</u>
Total	<u>\$ -</u>	<u>\$ 85,731</u>

All in-kind donations received by the Foundation for the years ended June 30, 2024 and 2023 were considered without donor restrictions and able to be used by the Foundation as determined by the board of directors and management.





## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

Our report on our audit of the combined financial statements of Clayton State University Foundation, Inc. for the years ended June 30, 2024 and 2023 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.

*Fulton + Kozak, LLC*

Morrow, Georgia  
December 19, 2024

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

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

*See notes to supplementary information*

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

	Foundation	Real Estate I	Real Estate II	Total
<b>ASSETS</b>				
Cash	\$ 4,190,487	\$ 303,779	\$ 849,539	\$ 5,343,805
Restricted cash for bond repayments	-	4,110,897	2,891,930	7,002,827
Short-term investments	2,163,765	-	-	2,163,765
Investments held on behalf of related party	1,763,987	-	-	1,763,987
Bateman student loan	75,006	-	-	75,006
Promises to give, net	840,436	-	-	840,436
Prepaid expenses	2,502	-	-	2,502
Property and equipment, net	-	-	9,965,066	9,965,066
Investment in direct financing lease	-	28,358,578	27,610,000	55,968,578
Long-term investments	13,689,041	-	-	13,689,041
<b>TOTAL ASSETS</b>	<b>\$ 22,725,224</b>	<b>\$ 32,773,254</b>	<b>\$ 41,316,535</b>	<b>\$ 96,815,013</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accrued expenses	\$ 16,985	\$ -	\$ -	\$ 16,985
Accrued interest	-	648,047	630,622	1,278,669
Due to related party	1,763,987	-	-	1,763,987
Deferred revenue	18,497	-	-	18,497
Bonds payable	-	32,518,470	32,814,840	65,333,310
<b>TOTAL LIABILITIES</b>	<b>1,799,469</b>	<b>33,166,517</b>	<b>33,445,462</b>	<b>68,411,448</b>
<b>NET ASSETS (DEFICIT)</b>				
<b>Without donor restrictions</b>				
Undesignated	1,011,092	(393,263)	7,871,073	8,488,902
<b>Total net assets without donor restrictions</b>	<b>1,011,092</b>	<b>(393,263)</b>	<b>7,871,073</b>	<b>8,488,902</b>
<b>With donor restrictions</b>				
Restricted by purpose or time	9,453,901	-	-	9,453,901
Restricted in perpetuity	10,460,762	-	-	10,460,762
<b>Total net assets with donor restrictions</b>	<b>19,914,663</b>	<b>-</b>	<b>-</b>	<b>19,914,663</b>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>20,925,755</b>	<b>(393,263)</b>	<b>7,871,073</b>	<b>28,403,565</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 22,725,224</b>	<b>\$ 32,773,254</b>	<b>\$ 41,316,535</b>	<b>\$ 96,815,013</b>

*See notes to supplementary information*

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

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

*See notes to supplementary information*

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

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

*See notes to supplementary information*

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

**1. COMBINED FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023, the Foundation has presented the investment in affiliates at cost on the combined financial statements.