

**UWG ATHLETIC FOUNDATION, INC.**

**FINANCIAL REPORT**

**JUNE 30, 2022**

# UWG ATHLETIC FOUNDATION, INC.

## FINANCIAL REPORT JUNE 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors  
UWG Athletic Foundation, Inc.  
Carrollton, Georgia**

### **Opinion**

We have audited the accompanying financial statements of **UWG Athletic Foundation, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWG Athletic Foundation, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 UWG Athletic Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about UWG Athletic Foundation, Inc.'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 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 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 statements.

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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 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 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 UWG Athletic Foundation, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UWG Athletic Foundation, Inc.'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.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
September 2, 2022

**UWG ATHLETIC FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash	\$ 246,188	\$ 147,537
Restricted cash	247,059	173,351
Unconditional promises to give (net of allowance of \$93,036 for 2022 and \$56,924 for 2021, respectively)	40,000	48,804
Related party receivable	-	1,500
Prepaid expenses	-	5,793
Investments	747,034	861,423
Total current assets	1,280,281	1,238,408
Unconditional promises to give, non-current (net of allowance of \$16,049 and discount of \$1,397 for 2022 and \$6,384 and \$565 for 2021, respectively)	62,354	29,851
Total assets	\$ 1,342,635	\$ 1,268,259
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 38,590	\$ 3,386
Deferred revenue	70,650	68,780
Total current liabilities	109,240	72,166
Net assets:		
Without donor restrictions	170,627	95,372
With donor restrictions	1,062,768	1,100,721
Total net assets	1,233,395	1,196,093
Total liabilities and net assets	\$ 1,342,635	\$ 1,268,259

**See Notes to Financial Statements.**

# UWG ATHLETIC FOUNDATION, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 184,610	\$ 276,994	\$ 461,604
Contributed services and materials	298,224	7,618	305,842
Contributed salaries and benefits by the University of West Georgia	414,738	-	414,738
Athletic program revenue	136,429	-	136,429
Ticket sales	34,640	-	34,640
Parking revenue	7,060	-	7,060
Licensing revenue	9,537	-	9,537
Special event income	23,019	7,750	30,769
Fundraising event income	61,247	44,220	105,467
Investment (losses), net of fees	-	(112,981)	(112,981)
Other operating revenues	7,605	-	7,605
Net assets released from restrictions:			
Satisfaction of program restrictions	261,554	(261,554)	-
Total revenues and other support	1,438,663	(37,953)	1,400,710
<b>EXPENSES</b>			
Program services:			
University of West Georgia Athletic Department support	901,476	-	901,476
Scholarships	1,402	-	1,402
Total program services	902,878	-	902,878
Supporting services:			
Administration and general	245,367	-	245,367
Fundraising	215,163	-	215,163
Total supporting services	460,530	-	460,530
Total expenses	1,363,408	-	1,363,408
Change in net assets	75,255	(37,953)	37,302
Net assets, beginning	95,372	1,100,721	1,196,093
Net assets, ending	\$ 170,627	\$ 1,062,768	\$ 1,233,395

**See Notes to Financial Statements.**

**UWG ATHLETIC FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 176,789	\$ 72,016	\$ 248,805
Contributed services and materials	236,702	1,387	238,089
Contributed salaries and benefits by the University of West Georgia	325,288	-	325,288
Athletic program revenue	7,958	4,473	12,431
Ticket sales	1,471	-	1,471
Parking revenue	1,050	-	1,050
Special event income	5,851	1,899	7,750
Fundraising event income	34,545	37,488	72,033
Investment income, net of fees	-	182,735	182,735
Net assets released from restrictions:			
Satisfaction of program restrictions	114,297	(114,297)	-
Total revenues and other support	<u>903,951</u>	<u>185,701</u>	<u>1,089,652</u>
<b>EXPENSES</b>			
Program services:			
University of West Georgia Athletic Department support	516,532	-	516,532
Scholarships	68,881	-	68,881
Total program services	<u>585,413</u>	<u>-</u>	<u>585,413</u>
Supporting services:			
Administration and general	181,862	-	181,862
Fundraising	114,527	-	114,527
Total supporting services	<u>296,389</u>	<u>-</u>	<u>296,389</u>
Total expenses	<u>881,802</u>	<u>-</u>	<u>881,802</u>
Change in net assets	22,149	185,701	207,850
Net assets, beginning	<u>73,223</u>	<u>915,020</u>	<u>988,243</u>
Net assets, ending	<u>\$ 95,372</u>	<u>\$ 1,100,721</u>	<u>\$ 1,196,093</u>

**See Notes to Financial Statements.**

**UWG ATHLETIC FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program services			Supporting services		Total
	UWG Athletic Department support	Scholarships	Total program services	Administration and general	Fundraising	
Salaries and benefits	\$ 84,106	\$ -	\$ 84,106	\$ 121,759	\$ 160,504	\$ 366,369
Team expenses	237,495	-	237,495	-	-	237,495
Bad debt expense	-	-	-	84,527	-	84,527
Bank and processing fees	-	-	-	12,828	-	12,828
Meals and entertainment	283,759	-	283,759	789	3,975	288,523
Lodging	24,147	-	24,147	-	-	24,147
Program support	118,884	-	118,884	-	14,168	133,052
Equipment	7,975	-	7,975	-	-	7,975
Apparel	13,272	-	13,272	-	8,723	21,995
Insurance	18,880	-	18,880	5,886	400	25,166
Membership and dues	7,263	-	7,263	-	-	7,263
Printing and reproduction	1,386	-	1,386	-	141	1,527
Professional fees	1,775	-	1,775	13,590	-	15,365
Recognition and awards	13,470	-	13,470	-	-	13,470
Scholarships	-	1,402	1,402	-	-	1,402
Supplies	17,076	-	17,076	5,254	23,067	45,397
Telecommunications	15,600	-	15,600	-	-	15,600
Travel	25,003	-	25,003	654	289	25,946
Repairs and maintenance	1,980	-	1,980	-	-	1,980
Marketing and promotions	4,986	-	4,986	-	-	4,986
Postage and shipping	944	-	944	-	-	944
Advertising	10,373	-	10,373	-	32	10,405
Rent	2,432	-	2,432	-	3,864	6,296
Competitions	9,802	-	9,802	-	-	9,802
Licenses and permits	-	-	-	30	-	30
Miscellaneous	868	-	868	50	-	918
Total expenses	<u>\$ 901,476</u>	<u>\$ 1,402</u>	<u>\$ 902,878</u>	<u>\$ 245,367</u>	<u>\$ 215,163</u>	<u>\$ 1,363,408</u>

**See Notes to Financial Statements.**

**UWG ATHLETIC FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program services			Supporting services		Total
	UWG Athletic Department support	Scholarships	Total program services	Administration and general	Fundraising	
Salaries and benefits	\$ 57,278	\$ -	\$ 57,278	\$ 128,577	\$ 79,530	\$ 265,385
Team expenses	17,688	-	17,688	-	-	17,688
Rentals	3,243	-	3,243	8,458	5,152	16,853
Bad debt expense	-	-	-	5,699	-	5,699
Event expense	-	-	-	-	5,008	5,008
Bank and processing fees	-	-	-	2,939	-	2,939
Meals and entertainment	67,415	-	67,415	-	1,999	69,414
Lodging	6,359	-	6,359	-	-	6,359
Program support	252,012	-	252,012	-	-	252,012
Equipment	1,081	-	1,081	-	-	1,081
Apparel	9,946	-	9,946	-	1,364	11,310
Insurance	19,523	-	19,523	3,455	-	22,978
Membership and dues	5,316	-	5,316	-	-	5,316
Printing and reproduction	1,291	-	1,291	-	200	1,491
Professional fees	-	-	-	15,610	-	15,610
Recognition and awards	11,524	-	11,524	-	3,055	14,579
Scholarships	-	68,881	68,881	-	-	68,881
Supplies	12,007	-	12,007	16,588	17,902	46,497
Telecommunications	24,160	-	24,160	-	-	24,160
Travel	5,015	-	5,015	456	95	5,566
Repairs and maintenance	15,145	-	15,145	-	-	15,145
Marketing and promotions	29	-	29	-	-	29
Postage and shipping	676	-	676	-	-	676
Conferences and seminars	127	-	127	-	-	127
Sponsorships	100	-	100	-	-	100
Competitions	6,323	-	6,323	-	-	6,323
Miscellaneous	274	-	274	80	222	576
<b>Total expenses</b>	<b>\$ 516,532</b>	<b>\$ 68,881</b>	<b>\$ 585,413</b>	<b>\$ 181,862</b>	<b>\$ 114,527</b>	<b>\$ 881,802</b>

**See Notes to Financial Statements.**

**UWG ATHLETIC FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 37,302	\$ 207,850
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Recovery of) provision for doubtful accounts	(45,777)	44,957
Change in discount on unconditional promises to give	(832)	(78)
Unrealized and realized losses (gains) on investments, net	112,981	(182,735)
Net decrease (increase) in assets:		
Unconditional promises to give	22,910	(56,216)
Related party receivable	1,500	(1,500)
Prepaid expenses	5,793	(1,320)
Net increase (decrease) in liabilities:		
Accounts payable	35,204	(5,936)
Related party payable	-	(345)
Deferred revenue	1,870	66,794
	<u>170,951</u>	<u>71,471</u>
Net cash provided by operating activities		
<b>INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	<u>1,408</u>	-
	<u>1,408</u>	-
Net cash provided by investing activities		
Increase in cash	172,359	71,471
Cash, beginning of year	<u>320,888</u>	<u>249,417</u>
Cash, end of year	<u>\$ 493,247</u>	<u>\$ 320,888</u>
Cash	246,188	147,537
Restricted cash	<u>247,059</u>	<u>173,351</u>
	<u>\$ 493,247</u>	<u>\$ 320,888</u>

**See Notes to Financial Statements.**

# UWG ATHLETIC FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ACTIVITIES

UWG Athletic Foundation, Inc. (the "Foundation") was established and incorporated as a non-profit organization in the State of Georgia in 2013 to promote the athletic programs of the University of West Georgia (the "University") by supporting excellence in academics, community service and athletic competition.

The Foundation and the University entered into a Memorandum of Understanding on July 1, 2020, which outlined certain rights and responsibilities of each party with regards to the management and enhancement of the University's athletic programs. The University will continue to provide personnel, facilities and administrative services to support the Foundation operations. The Foundation is responsible for the fundraising and donor support of the University's athletic programs.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) ASC Topic 958, *Financial Statements of Not-for-Profit Organizations*. Under this standard, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions consists of net assets that are not subject to donor-imposed stipulations, which are used to account for resources available to carry out the purposes of the Foundation. The principal sources of funds generated for net assets without donor restrictions are contributions and program revenues.

Net assets with donor restrictions consists of net assets that are subject to donor-imposed restrictions. 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 may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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

Pledges of financial support from organizations and individuals representing an unconditional promise to pay are recognized in the financial statements once all conditions have been met. In the absence of such promise, a contribution is recognized when the gift is received.

#### Revenue Recognition

Event revenues are recognized when the event takes place. Ticket and parking revenues from UWG sporting events do not go through the Foundation but are remitted directly to the University.

# NOTES TO FINANCIAL STATEMENTS

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## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Cash Concentration

The Foundation maintains cash balances at high quality financial institutions. Cash balances are insured by the FDIC for up to \$250,000. Cash balances often exceed the FDIC insurance limit; however, management does not believe it is exposed to significant credit risk on its account.

### Donated Services and In-Kind Support

The Foundation receives services, space, equipment and other nonfinancial items without payment or compensation. When the value of such services and support is ascertainable and meets the criteria for recognition, it is recognized in the accompanying financial statements as revenue and expense at the estimated fair value on the date of donation. Donated services from the University represent salaries and benefits paid by the University on behalf of the Foundation. Donated services from the University totaled \$414,738 and \$325,288 for the years ended June 30, 2022 and 2021, respectively. In-kind contributions from third parties were \$305,842 and \$238,089 for the years ended June 30, 2022 and 2021, respectively. These amounts are classified throughout operating revenues and operating expenses, as applicable, on the statement of activities.

### Income Tax Status

The Foundation qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly supported organization and not a private foundation. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. The Foundation files Form 990 in the U.S. federal jurisdiction and the State of Georgia.

Management has evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions on accounting for uncertainty in income taxes.

### Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, contract services, event expense, meals and entertainment, equipment, apparel, insurance, professional fees, recognition and awards, and supplies, which are allocated on the basis of purpose of expenditure and estimates of time and effort.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments

Investments, including investments held by the Trustee, consist primarily of money market accounts, mutual funds, fixed income securities, and equity securities and are carried at fair value. Investment expenses incurred totaled \$11,199 and \$11,005 for the years ended June 30, 2022 and 2021, respectively.

Donated investments are recorded at fair value on the date received. Realized and unrealized gains and losses on the portfolio are recognized as income or loss and are included in investment income (loss) on the statement of activities.

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the accompanying financial statements.

#### Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

*Cash and cash equivalents* - The carrying amount approximates fair value because of the short-term maturity of these instruments.

*Investments* - Investments are carried at fair value based on quoted market prices for those or similar investments, third party pricing service for identical or similar investments, or from valuation methodologies including option pricing models, discounted cash flows and similar techniques.

The Foundation follows FASB's fair value measurements and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles.

This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the FASB issued guidance, fair value is 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 determining fair value, the Foundation uses various methods including market, income and cost approaches.

# NOTES TO FINANCIAL STATEMENTS

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## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fair Value of Financial Instruments (Continued)

Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the assets or liabilities, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

*Level 2* – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

*Level 3* – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions.

Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For the years ended June 30, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

### Recent Accounting Pronouncements

In September 2020, FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. For the year ending June 30, 2022, the Foundation adopted ASU 2020-07 and has adjusted the presentation in these financial statements accordingly. The adjustment did not have an effect on total net assets or the change in total net assets for 2021 or 2022.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date of June 30, 2022 and 2021, comprise the following:

	2022	2021
Cash	\$ 246,188	\$ 147,537
Unconditional promises to give	17,763	6,283
Board designated endowment distributions and appropriations	169,767	30,132
Annual scholarship distributions and appropriations	-	22,500
Total	\$ 433,718	\$ 206,452

The Foundation has an investment fund designated for “Excellence in Athletics” that allows for an annual allocation to be used at the UWG Athletic Director’s discretion, which is included in the \$169,767 above in board-approved distributions and appropriations. This fund is held on its behalf by the University of West Georgia Foundation with its long-term investments Trustee, Truist Bank, and is invested as described in Note 2. As of June 30, 2022 and 2021, the market value of these investments were \$747,034 and \$861,423, respectively. The Foundation’s investments are subject to the University of West Georgia Foundation’s Investment, Spending, and Endowment Policy which allows for annual spending to support the university and a small administrative fee to support the Foundation’s operations. Although the Foundation does not intend to spend from this investment account above, the funds could be made available if necessary.

### NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2022 and 2021, net assets with donor restrictions were available for the following:

	2022	2021
Subject to expenditure for specified purpose:		
Champion’s Fund	\$ 764,989	\$ 928,730
Scholarship Funds	58,076	31,275
Sport-specific Funds	18,209	38,107
Stadium Improvement Funds	69,427	62,921
Other Restricted Purpose Funds	123,342	35,963
Total subject to expenditure for specified purpose:	1,034,043	1,096,996
Perpetual in nature:		
Scholarship Funds	28,725	3,725
Total	\$ 1,062,768	\$ 1,100,721

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

At June 30, 2022 and 2021, net assets with donor restrictions consist of the following:

	2022	2021
Subject to expenditure for specified purpose:		
Cash	\$ 207,756	\$ 168,693
Unconditional promises to give, net	79,253	66,880
Investments	747,034	861,423
Total subject to expenditure for specified purpose:	1,034,043	1,096,996
Endowments (perpetual in nature):		
Cash	28,725	3,725
Total endowments:	28,725	3,725
Total net assets with donor restrictions	\$ 1,062,768	\$ 1,100,721

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Satisfaction of purpose restrictions:		
Champion's Fund	\$ 53,200	\$ 1,000
Scholarship Funds	1,038	38,953
Sport-specific Funds	187,347	69,902
Other Restricted Purpose Funds	19,969	4,442
Total	\$ 261,554	\$ 114,297

### NOTE 5. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2022, unconditional promises to give consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Receivable in less than one year	\$ 21,513	\$ 111,523	\$ 133,036
Receivable in one to five years	6,300	73,500	79,800
Total unconditional promises to give	27,813	185,023	212,836
Less discount on unconditional promises to give	(62)	(1,335)	(1,397)
Total unconditional promises to give, less discount	27,751	183,688	211,439
Less allowance for uncollectible unconditional promises to give	(4,650)	(104,435)	(109,085)
Net unconditional promises to give	\$ 23,101	\$ 79,253	\$ 102,354

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. UNCONDITIONAL PROMISES TO GIVE (Continued)

At June 30, 2021, unconditional promises to give consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Receivable in less than one year	\$ 6,283	\$ 99,445	\$ 105,728
Receivable in one to five years	7,500	29,300	36,800
Total unconditional promises to give	13,783	128,745	142,528
Less discount on unconditional promises to give	(83)	(482)	(565)
Total unconditional promises to give, less discount	13,700	128,263	141,963
Less allowance for uncollectible unconditional promises to give	(1,925)	(61,383)	(63,308)
Net unconditional promises to give	\$ 11,775	\$ 66,880	\$ 78,655

At June 30, 2022 and 2021, the discount rate used on long-term unconditional promises to give was 1.28% and 0.05%, respectively.

### NOTE 6. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Money market funds	\$ 41,382	\$ -	\$ -	\$ -	\$ 41,382
Mutual funds	373,495	-	-	-	373,495
Equity securities	271,263	-	-	-	271,263
Alternative investments					
Hedge funds	-	-	-	33,881	33,881
Private investment fund	-	-	-	27,013	27,013
Total assets at fair value	\$ 686,140	\$ -	\$ -	\$ 60,894	\$ 747,034

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Money market funds	\$ 33,409	\$ -	\$ -	\$ -	\$ 33,409
Mutual funds	530,899	-	-	-	530,899
Equity securities	241,972	-	-	-	241,972
Alternative investments					
Hedge funds	-	-	-	34,978	34,978
Private investment fund	-	-	-	20,165	20,165
Total assets at fair value	\$ 806,280	\$ -	\$ -	\$ 55,143	\$ 861,423

In accordance with FASB's fair value measurement presentation and disclosure guidance, certain investments that are measured at fair value using the net asset value per share (or its equivalents) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The alternative investments include investments in partnership funds and hedge funds. The fair value of these investments has been estimated using the net asset value per share of the investment. As of June 30, 2022 and 2021, the unfunded commitment of the partnership funds are \$10,421 and \$20,647, respectively. The hedge funds have a monthly redemption frequency and a 90 day prior to trade date redemption notification.

### NOTE 7. ENDOWMENT

#### Interpretation of Relevant Law

In approving endowment, spending and related policies, as part of the prudent and diligent discharge of its duties, the Board of Trustees of the Foundation, as authorized by the UPMIFA, has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Foundation and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor directions to the contrary.

As a result of this interpretation, for accounting and financial statement purposes, the Foundation classifies net assets with donor restrictions that are perpetual in nature as the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

The portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be held in perpetuity are classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. ENDOWMENT (Continued)

#### Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. At June 30, 2022, funds with original gift values of \$28,725, fair values of \$26,758 and deficiencies of \$1,967 were reported in net assets with donor restriction. At June 30, 2021, the Foundation had no such deficiencies in the endowment.

#### Return Objectives and Risk Parameters

The Foundation adheres to the University of West Georgia Foundation's (UWGF) Investment, Spending and Endowment Policy (ISEP) designed to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Investment and Finance Committee of the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar asset classes while assuming a moderate level of investment risk.

#### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

#### Spending Policy and How the Investment Objectives Related to Spending Policy

The UWGF's Investment and Finance Committee (the "Committee") determines the calculation of the spending policy to appropriate endowment funds for expenditure. The Committee recommended, and the Board of Trustees approved, a spending policy of 4.25% for the 2022 academic school year. The Foundation's Board of Trustees approved the recommended rate by UWGF. UWGF's spending policy is based on a 36-month trailing average of the fair market value of the endowment investments and is distributed for purposes of supporting activities with and without donor restrictions. The allocations are withdrawn bi-annually from endowment funds. In addition, the ISEP permits an annual 1.25% administration fee be assessed to support foundation operations quarterly, which is based on a 36-month trailing average of the fair market value of the endowment investments.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. ENDOWMENT (Continued)

The Endowment Net Asset Composition by type of fund as of June 30, 2022 is as follows:

	Quasi- Endowment <i>(Without Donor Restriction)</i>	Endowment <i>(With Donor Restriction)</i>	Total
<b>June 30, 2022</b>			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 28,725	\$ 28,725
Accumulated investment (losses)	-	(1,967)	(1,967)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 26,758</u>	<u>\$ 26,758</u>

The Changes in Endowment Net Assets for the year ended June 30, 2022 are:

	Quasi- Endowment <i>(Without Donor Restriction)</i>	Endowment <i>(With Donor Restriction)</i>	Total
Endowment net assets, beginning of year	\$ -	\$ 3,725	\$ 3,725
Investment return:			
Investment income, net of investment fees	-	144	144
Realized and unrealized net losses	-	(2,111)	(2,111)
Total investment return	-	(1,967)	(1,967)
Contributions	-	25,000	25,000
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 26,758</u>	<u>\$ 26,758</u>

The Endowment Net Asset Composition by type of fund as of June 30, 2021 is as follows:

	Quasi- Endowment <i>(Without Donor Restriction)</i>	Endowment <i>(With Donor Restriction)</i>	Total
<b>June 30, 2021</b>			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 3,725	\$ 3,725
Accumulated investment gains	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 3,725</u>	<u>\$ 3,725</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. ENDOWMENT (Continued)

The Changes in Endowment Net Assets for the year ended June 30, 2021 are:

	<b>Quasi- Endowment (Without Donor Restriction)</b>	<b>Endowment (With Donor Restriction)</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	-	3,725	3,725
Endowment net assets, end of year	\$ -	\$ 3,725	\$ 3,725

### NOTE 8. RELATED PARTY

As described in Note 1, the Foundation and UWGF have entered into a Memorandum of Understanding regarding the responsibilities of each in regards to the operations of the Foundation. At June 30, 2022 and 2021, the Foundation had a receivable from UWGF of \$- and \$1,500, respectively, for contributions received or expenses paid by UWGF on behalf of the Foundation. Beginning July 1, 2018, leased vehicles for use by athletic coaching staff were paid by UWGF.

### NOTE 9. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statement of activities included:

	<b>2022</b>	<b>2021</b>
Supplies	\$ 37,124	\$ 42,424
Equipment	7,418	-
Household goods	2,875	975
Gift certificates	1,824	-
Food	35,484	1,387
Services	613,644	502,599
Rent	15,992	15,992
Clothing	6,219	-
	\$ 720,580	\$ 563,377

The Foundation recognized contributed nonfinancial assets within revenue, including contributed supplies, equipment, household goods, gift certificates, food, services, rent and clothing. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed equipment and food were used in program support. Contributed household goods and gift certificates were used in fundraising. Contributed supplies and clothing were used in general and administrative and program support. Contributed services were used in general and administrative, fundraising, and program support and contributed rent was used in general and administrative.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 9. CONTRIBUTED NONFINANCIAL ASSETS (Continued)**

In valuing contributed supplies, equipment, household goods, gift certificates, food, and clothing, the Foundation estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. In valuing contributed services and rent, the Foundation estimated fair value based on current rates for similar services.

### **NOTE 10. SUBSEQUENT EVENTS**

Management has evaluated events occurring through September 2, 2022, the date the financial statements were available to be issued.