

**UNIVERSITY OF WEST GEORGIA
FOUNDATION, INC. AND
SUBSIDIARY**

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2021

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2021

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT..... 1 and 2

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position.....	3
Consolidated statement of activities – June 30, 2021	4
Consolidated statement of activities – June 30, 2020	5
Consolidated statement of functional expenses – June 30, 2021	6
Consolidated statement of functional expenses – June 30, 2020	7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9-31

SUPPLEMENTAL INFORMATION

Consolidating statement of financial position – June 30, 2021	32
Consolidating statement of financial position – June 30, 2020	33
Consolidating statement of activities – June 30, 2021	34
Consolidating statement of activities – June 30, 2020	35
Note to supplemental information	36

University of West Georgia Foundation, Inc.:

Statements of financial position.....	37
Statement of activities – June 30, 2021	38
Statement of activities – June 30, 2020	39

UWG Housing, LLC:

Statements of financial position.....	40
Statements of activities	41

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees of
the University of West Georgia
Foundation, Inc. and Subsidiary
Carrollton, Georgia**

We have audited the accompanying consolidated financial statements of the **University of West Georgia Foundation, Inc. and Subsidiary** (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of West Georgia Foundation, Inc. and Subsidiary as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information on pages 32-41 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 26, 2021

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and cash equivalents		
Operating	\$ 2,935,135	\$ 2,775,855
Money market deposits	3,890,326	3,774,496
Agency fund assets	861,423	678,688
Prepaid expenses	64,287	83,428
Unconditional promises to give, net	2,863,282	4,947,141
Accounts receivable - related party	-	345
Accrued interest receivable	134	14,310
Net investments in direct financing leases	34,675,711	36,786,859
Investments	40,171,572	30,711,832
Investments in real estate	400,000	400,000
Assets held under split interest agreements	176,509	146,243
Cash surrender value of life insurance policy	197,087	174,270
Property and equipment, net	210,279	329,514
Assets limited as to use	6,322,266	5,821,382
	\$ 92,768,011	\$ 86,644,363
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 105,599	\$ 147,093
Accounts payable - related party	1,500	-
Agency fund payable	861,423	678,688
Liabilities under split interest agreements	125,064	91,819
Accrued interest payable	802,526	845,775
Deferred revenue	1,000	4,200
Financing lease liability	173,777	228,172
Bonds payable, net	35,904,520	38,257,894
	37,975,409	40,253,641
 Net assets		
Without donor restrictions		
Undesignated	4,872,548	4,524,572
Board designated	4,842,446	2,414,255
	9,714,994	6,938,827
With donor restrictions	45,077,608	39,451,895
Total net assets	54,792,602	46,390,722
Total liabilities and net assets	\$ 92,768,011	\$ 86,644,363

See Notes to Consolidated Financial Statements.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 267,526	\$ 2,180,046	\$ 2,447,572
Investment income, net of investment fees	312,481	27,050	339,531
Net realized and unrealized gains on investments	697,726	7,486,114	8,183,840
Donated goods and services	1,265,549	-	1,265,549
Administrative fees	8,838	-	8,838
Leasing income:			
Rental revenue	437,080	-	437,080
Interest income on direct financing leases	1,495,832	-	1,495,832
Other income	46,715	-	46,715
Total leasing income	1,979,627	-	1,979,627
Net assets released from restrictions:			
Satisfaction of program restrictions	4,023,972	(4,023,972)	-
Total revenues and other support	8,555,719	5,669,238	14,224,957
EXPENSES			
Program services			
Academic and education	1,421,277	-	1,421,277
Other program support	1,539,855	-	1,539,855
Campus facilities:			
Insurance	61,148	-	61,148
Interest expense	981,676	-	981,676
Professional fees	11,930	-	11,930
Contribution expense of facility projects to the University	214,962	-	214,962
Other operating expenses	2,501	-	2,501
Total campus facilities	1,272,217	-	1,272,217
Total program services	4,233,349	-	4,233,349
Supporting services			
Administration and general	834,955	-	834,955
Fundraising	754,773	-	754,773
Total supporting services	1,589,728	-	1,589,728
Total expenses	5,823,077	-	5,823,077
CHANGE IN NET ASSETS	<u>2,732,642</u>	<u>5,669,238</u>	<u>8,401,880</u>
NET ASSETS, BEGINNING	<u>6,938,827</u>	<u>39,451,895</u>	<u>46,390,722</u>
CHANGE IN DONOR INTENT	<u>43,525</u>	<u>(43,525)</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 9,714,994</u>	<u>\$ 45,077,608</u>	<u>\$ 54,792,602</u>

See Notes to Consolidated Financial Statements.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 1,043,688	\$ 1,247,191	\$ 2,290,879
Investment income, net of investment fees	422,041	71,207	493,248
Net realized and unrealized (losses) gains on investments	(506,630)	291,059	(215,571)
Unrealized loss on investment in real estate	(160,000)	-	(160,000)
Donated goods and services	1,366,488	-	1,366,488
Administrative fees	8,926	-	8,926
Leasing income:			
Rental revenue	424,349	-	424,349
Interest income on direct financing leases	1,595,234	-	1,595,234
Total leasing income	2,019,583	-	2,019,583
Net assets released from restrictions:			
Satisfaction of program restrictions	5,625,087	(5,625,087)	-
Total revenues and other support	9,819,183	(4,015,630)	5,803,553
EXPENSES			
Program services			
Academic and education	1,337,343	-	1,337,343
Other program support	7,850,411	-	7,850,411
Campus facilities:			
Insurance	55,527	-	55,527
Interest expense	1,069,676	-	1,069,676
Professional fees	12,681	-	12,681
Contribution expense of facility projects to the University	32,712	-	32,712
Other operating expenses	2,500	-	2,500
Total campus facilities	1,173,096	-	1,173,096
Total program services	10,360,850	-	10,360,850
Supporting services			
Administration and general	944,241	-	944,241
Fundraising	825,561	-	825,561
Total supporting services	1,769,802	-	1,769,802
Total expenses	12,130,652	-	12,130,652
CHANGE IN NET ASSETS	(2,311,469)	(4,015,630)	(6,327,099)
NET ASSETS, BEGINNING	9,340,235	43,377,586	52,717,821
CHANGE IN DONOR INTENT	(89,939)	89,939	-
NET ASSETS, ENDING	\$ 6,938,827	\$ 39,451,895	\$ 46,390,722

See Notes to Consolidated Financial Statements.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program services			Total program services	Supporting services		Total
	Academic and education	Other program support	Campus facilities		Administration and general	Fundraising	
Advertising	\$ -	\$ 1,276	\$ -	\$ 1,276	\$ -	\$ -	\$ 1,276
Apparel	-	2,631	-	2,631	-	-	2,631
Bad debt expense	-	-	-	-	263,709	-	263,709
Banking and processing fees	-	-	-	-	22,216	-	22,216
Competitions	-	1,490	-	1,490	-	-	1,490
Conferences and seminars	-	1,383	-	1,383	1,250	-	2,633
Contract services	-	11,644	-	11,644	-	-	11,644
Contribution expense of facility projects to the University	-	-	214,962	214,962	-	-	214,962
Depreciation	-	-	-	-	65,838	-	65,838
Equipment	-	31,780	-	31,780	-	-	31,780
Event expense	-	13,152	-	13,152	7,584	8,475	29,211
Furniture and fixtures	-	11,382	-	11,382	-	-	11,382
Honorariums and speakers	-	16,362	-	16,362	-	-	16,362
Property operating expenses	-	-	14,431	14,431	-	-	14,431
Insurance	-	2,808	61,148	63,956	32,858	-	96,814
Interest expense	-	6,372	981,676	988,048	-	-	988,048
Lodging	-	2,848	-	2,848	-	-	2,848
Marketing and promotions	-	13,178	-	13,178	-	-	13,178
Meals and entertainment	-	65,268	-	65,268	5,923	6,546	77,737
Membership and dues	-	31,386	-	31,386	7,440	2,819	41,645
Miscellaneous	-	20,222	-	20,222	892	-	21,114
Postage and shipping	-	2,719	-	2,719	-	29	2,748
Printing and reproduction	-	4,371	-	4,371	-	-	4,371
Professional fees	-	35,745	-	35,745	42,591	72,067	150,403
Program support	-	623,209	-	623,209	-	-	623,209
Publications and subscriptions	-	647	-	647	576	-	1,223
Recognition and awards	-	48,029	-	48,029	4,130	3,126	55,285
Rentals	-	14,481	-	14,481	18,825	15,094	48,400
Repairs and maintenance	-	180	-	180	-	-	180
Salaries and benefits	-	516,772	-	516,772	292,614	603,089	1,412,475
Scholarships	1,421,277	-	-	1,421,277	-	-	1,421,277
Sponsorships	-	5,120	-	5,120	6,931	-	12,051
Staff development	-	245	-	245	-	-	245
Supplies	-	51,383	-	51,383	60,472	42,958	154,813
Telecommunications	-	165	-	165	-	-	165
Travel	-	3,607	-	3,607	1,106	570	5,283
Total expenses	<u>\$ 1,421,277</u>	<u>\$ 1,539,855</u>	<u>\$ 1,272,217</u>	<u>\$ 4,233,349</u>	<u>\$ 834,955</u>	<u>\$ 754,773</u>	<u>\$ 5,823,077</u>

See Notes to Consolidated Financial Statements.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program services			Total program services	Supporting services		Total
	Academic and education	Other program support	Campus facilities		Administration and general	Fundraising	
Advertising	\$ -	\$ 5,579	\$ -	\$ 5,579	\$ -	\$ 4,400	\$ 9,979
Apparel	-	25,125	-	25,125	-	-	25,125
Bad debt expense	-	-	-	-	245,673	-	245,673
Banking and processing fees	-	-	-	-	17,404	-	17,404
Conferences and seminars	-	5,595	-	5,595	-	-	5,595
Contract services	-	60,150	-	60,150	-	30,045	90,195
Contribution expense of facility projects to the University	-	-	32,712	32,712	-	-	32,712
Depreciation	-	-	-	-	65,838	-	65,838
Equipment	-	35,112	-	35,112	-	3,371	38,483
Event expense	-	85,570	-	85,570	26,765	43,747	156,082
Honorariums and speakers	-	23,890	-	23,890	-	-	23,890
Property operating expenses	-	1,350	11,931	13,281	-	-	13,281
Insurance	-	724	55,527	56,251	32,394	-	88,645
Interest expense	-	8,050	1,069,676	1,077,726	-	-	1,077,726
Lodging	-	6,879	-	6,879	433	4,598	11,910
Marketing and promotions	-	52,128	-	52,128	-	-	52,128
Meals and entertainment	-	88,726	-	88,726	781	6,123	95,630
Membership and dues	-	23,965	-	23,965	4,590	-	28,555
Miscellaneous	-	13,593	-	13,593	-	900	14,493
Postage and shipping	-	1,489	-	1,489	-	1,469	2,958
Printing and reproduction	-	7,337	-	7,337	-	763	8,100
Professional fees	-	24,127	3,250	27,377	43,272	40,202	110,851
Program support	-	6,577,805	-	6,577,805	-	-	6,577,805
Publications and subscriptions	-	5,940	-	5,940	1,152	-	7,092
Recognition and awards	-	68,568	-	68,568	1,528	4,134	74,230
Recruiting	-	8,104	-	8,104	-	-	8,104
Rentals	-	2,737	-	2,737	1,387	-	4,124
Repairs and maintenance	-	1,625	-	1,625	-	-	1,625
Salaries and benefits	-	580,383	-	580,383	393,420	620,468	1,594,271
Scholarships	1,337,343	-	-	1,337,343	-	-	1,337,343
Sponsorships	-	6,707	-	6,707	19,350	-	26,057
Staff development	-	2,118	-	2,118	187	-	2,305
Supplies	-	60,808	-	60,808	89,527	49,716	200,051
Telecommunications	-	18	-	18	-	-	18
Travel	-	66,209	-	66,209	540	15,625	82,374
Total expenses	\$ 1,337,343	\$ 7,850,411	\$ 1,173,096	\$ 10,360,850	\$ 944,241	\$ 825,561	\$ 12,130,652

See Notes to Consolidated Financial Statements.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	\$ 8,401,880	\$ (6,327,099)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gains) losses on investments	(8,183,840)	215,571
Unrealized loss on investment in real estate	-	160,000
Provision for doubtful accounts	4,135	102,023
Depreciation	65,838	65,838
Amortization of debt issuance costs	62,860	104,515
Amortization of original bond issue net premium	(686,234)	(726,390)
Contributions restricted for long-term investments	(1,062,315)	(344,391)
Contributions of facility projects to the University	132,000	23,862
Change in value of cash surrender value of life insurance policy	(22,817)	(21,753)
Change in value of split interest agreements	2,979	2,979
Decrease (increase) in prepaid expenses	19,141	(80,610)
Decrease in unconditional promises to give	2,079,724	2,096,436
Decrease (increase) in accounts receivable - related party	345	(345)
Decrease (increase) in accrued interest receivable	14,176	(13,505)
(Decrease) increase in accounts payable	(41,494)	71,121
Increase (decrease) in accounts payable - related party	1,500	(40,595)
(Decrease) increase in accrued interest payable	(43,249)	343,009
(Decrease) increase in deferred revenue	(3,200)	3,720
	741,429	(4,365,614)
INVESTING ACTIVITIES		
Principal received on net investments in direct financing leases	2,111,148	1,993,248
Proceeds from sales of investments	2,357,749	6,120,418
Purchases of investments	(3,633,649)	(1,707,278)
Purchases of property and equipment	(78,603)	(132,000)
	756,645	6,274,388
FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in endowment	1,062,315	344,391
Bond redemption	(1,730,000)	-
Principal payments on financing lease liability	(54,395)	(52,717)
	(722,080)	291,674
Net increase in cash and cash equivalents	775,994	2,200,448
Cash and cash equivalents, at beginning of year	12,371,733	10,171,285
Cash and cash equivalents, at end of year	\$ 13,147,727	\$ 12,371,733
Operating	2,935,135	2,775,855
Money market deposits	3,890,326	3,774,496
Assets limited as to use	6,322,266	5,821,382
	\$ 13,147,727	\$ 12,371,733
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 1,024,925	\$ 726,667

See Notes to Consolidated Financial Statements.

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of activities:

The University of West Georgia Foundation, Inc. and Subsidiary (the "Foundation") is a nonprofit foundation that was formed and incorporated under the laws of the State of Georgia in 1967 to exclusively raise, administer, invest, and transfer private gifts in support of the University of West Georgia (the "University"). The Foundation's support comes primarily from contributions and grants from alumni, corporations, foundations, and other individuals and from leasing activities with the University of West Georgia.

Significant accounting policies:

Basis of presentation:

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation presents its consolidated financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-For-Profit* presentation and disclosure guidance. Under this guidance, the Foundation is required to report information regarding its financial position and activities according to two categories 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. Board designated net assets are without donor restriction but are designated by the Board to be spent for specific purposes. As of June 30, 2021 and 2020, board designated net assets totaled \$4,842,446 and \$2,414,255, respectively.

Board designated net assets are designated for the following purposes as of June 30, 2021 and 2020:

	2021	2020
Subject to expenditure for specified purpose:		
Scholarships	\$ 139,644	\$ 10,728
Student support	132,055	128,637
Board designated endowment	4,570,747	2,207,086
Capital campaign fund	-	67,804
Total board designated net assets:	\$ 4,842,446	\$ 2,414,255

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Basis of presentation: (Continued)

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.

Basis of consolidation:

The consolidated financial statements of the University of West Georgia Foundation, Inc. and Subsidiary includes the accounts of the University of West Georgia Foundation, Inc. and UWG Housing, LLC (formerly known as Evergreen Complex, LLC). The Foundation is the sole member of the LLC. Intercompany accounts and all significant intercompany transactions have been eliminated.

Contributions:

Contributions received, including unconditional promises to give, are recognized as revenues in the period received at their estimated fair value. Conditional promises to give are recognized when the conditions are substantially met. The allowance for doubtful unconditional promises to give is based on specifically identified amounts that the Foundation believes to be uncollectible, plus certain percentages of aged unconditional promises to give, which are determined based on historical experience and management's assessment of the general financial conditions affecting the Foundation's donor base. If actual collections experience changes, revisions to the allowance may be required.

Cash and cash equivalents:

Cash and cash equivalents include cash and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased. At times, cash and cash equivalents may exceed federally insured amounts. The Foundation believes it mitigates risks by depositing cash and investing in cash equivalents with reputable financial institutions.

Excluded are amounts held for specific purposes or amounts which are included in the Foundation's long-term investment strategies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Split interest agreements:

The Foundation is the beneficiary of split interest agreements that include a charitable remainder annuity trust and charitable gift annuity, for which the Foundation also serves as the trustee. Under these agreements, the Foundation is the named remainder principal beneficiary in which the Foundation will receive a designated percentage amount of the remainder principal after the death of the life income beneficiaries. The agreements have been recorded based on the present value of the future principal distribution to the Foundation. The discount rate used for the present valuation calculation is 4%. Changes in the recorded asset due to changes in life expectancy, present value actuarial assumptions, or the market value are included in investment income (losses) in the accompanying consolidated statement of activities. The Foundation's interest in split interest agreements is reported as a contribution in the year received at its net present value.

Change in donor intent:

During the year ended June 30, 2021, the Foundation obtained a change in donor intent regarding contributions previously recorded totaling \$43,525 resulting in transfers from net assets with donor restrictions to net assets without donor restrictions.

During the year ended June 30, 2020, the Foundation obtained a change in donor intent regarding contributions previously recorded totaling \$89,939 resulting in transfers from net assets without donor restrictions to net assets with donor restrictions.

Donated goods and services:

Donated goods and services are reflected as contributions in the accompanying consolidated financial statements at their estimated values at the date of receipt. Donated goods and service expense, which primarily represents salaries, supplies, and rents paid by the University on behalf of the Foundation, is reflected under supporting services as administration and general and fundraising expenses in the accompanying consolidated statement of activities. Donated goods and services totaled \$1,265,549 and \$1,366,488, respectively, for the years ended June 30, 2021 and 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Investments:

Investments, including investments held by the Trustee, consist primarily of money market accounts, mutual funds, fixed income securities, equity securities, partnership funds, and hedge funds and are carried at fair value. Investment expenses incurred totaled \$97,566 and \$95,512, respectively, for the years ended June 30, 2021 and 2020.

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.

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 consolidated financial statements.

Investments in real estate:

Investments in real estate consists of donated real estate property that the Foundation has received and intends to sell. Donated investments in real estate are recorded at fair value on the date received. Realized and unrealized gains and losses on the portfolio are recognized as income or loss.

Investments in direct financing-type leases:

The Foundation leases real estate to the Board of Regents of the University System of Georgia, a related party. The leases are accounted for as direct financing-type leases. The present value of the minimum lease payments is recorded as an asset and is amortized under the effective interest method as payments are received. The difference between gross minimum lease payments and the present value of the gross minimum lease payments is recorded as unearned income and is amortized as payments are received.

In accordance with its stated purpose as a not-for-profit organization, the Foundation structures its lease agreements to provide rental proceeds to meet related debt service, interest expenses, and administrative and operating expenses. The terms of these lease agreements are considered more favorable than commercial terms on similar facilities and equipment. The lessees are responsible for the payment of property taxes, routine maintenance, insurance, and other costs incidental to the use of the facilities. The lease agreements generally provide for an initial rental period with renewable terms that extend over the term of the debt financing the leased property. The lease agreements are cancelable by the lessees at specified times during the lives of the leases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Investments in direct financing-type leases: (Continued)

Leases with agencies of the State of Georgia are for no longer than one year, with renewable options. Lease payments are structured, together with debt service reserves included in assets limited as to use, to provide sufficient funds to meet the debt service provided all renewal terms are exercised.

Property and equipment:

Property and equipment are stated at historical cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives.

Property and equipment is made up of automobiles and construction in progress of facility capital improvement projects. At the completion of construction, the capital improvements are contributed to the University. Equipment and building and facility improvements in excess of \$100,000 are capitalized. Normal repairs and maintenance costs are expensed as incurred.

Debt issuance costs:

Debt issuance costs, comprised principally of underwriting, legal, accounting, and printing fees, are recorded as a decrease of the face amount of bonds payable and amortized over the term of the debt using the interest method. The accumulated amortization totaled \$149,581 and \$86,720 as of June 30, 2021 and 2020, respectively.

Bond premiums and discounts:

Bond premiums are presented as an increase of the face amount of bonds payable. Bond discounts are presented as a decrease of the face amount of bonds payable. Both are amortized over the term of the debt using the interest method.

Agency relationship:

The Foundation acts as agent on behalf of another nonprofit foundation affiliated with the University of West Georgia. In certain instances, the Foundation collects cash funds from UWG Athletic Foundation, Inc. (the "Athletic Foundation") to pay scholarship expenses and other operating costs on their behalf. In 2021 and 2020, the Foundation invested money on behalf of the Athletic Foundation. At June 30, 2021 and 2020, the related investment balance held for the Athletic Foundation was \$861,423 and \$678,688, respectively. The Foundation charges an administrative fee of 1.25% to support unrestricted activities on these balances that totaled \$8,838 and \$8,926 for the years ended June 30, 2021 and 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Use of estimates:

The Foundation prepares its consolidated financial statements in accordance with generally accepted accounting principles which require management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the consolidated financial statements, as well as the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

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 other valuation methodologies including option pricing models, discounted cash flows, and similar techniques.

Bond proceeds restricted for construction, debt service, and reserves - Funds held by the trustee are carried at fair value based on quoted market prices for those or similar investments.

Operating funds held by trustee - Funds held by the trustee are carried at fair value based on quoted market prices for those or similar investments.

Bonds payable - Fair value is the price that would be paid to transfer the liability in an orderly transaction between market participants.

Note receivable, other receivables and payables - The carrying amount approximates fair value because of the short-term maturity of these instruments.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Fair value of financial instruments: (Continued)

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.

Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the assets or liability, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Fair value of financial instruments: (Continued)

For the years ended June 30, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent.

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 as 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.

UWG Housing, LLC is treated as a single member LLC for federal and state income tax purposes. Since the Foundation is the sole member of UWG Housing, LLC, all income, losses, and credits for this LLC is reported on the Foundation's income tax returns.

The Foundation follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Foundation's tax-exempt status would not have a material effect on the Foundation's consolidated financial statements.

The Foundation files Form 990 in the U.S. federal jurisdiction and the State of Georgia.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis on the consolidated statements of activities and consolidated statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Furthermore, all other costs have been allocated among the programs and supporting services benefited as required by FASB's *Not-for-Profit* presentation and disclosure guidance. Salaries, benefits and supplies are allocated based on the department and the percentage of time that the department supports program, administration, and/or fundraising for the Foundation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Recent accounting pronouncements:

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated statements of financial position and disclosing key information about leasing arrangements.

For the year ending June 30, 2021, the Foundation adopted ASU 2016-02 and has adjusted the presentation in these consolidated financial statements accordingly. This adjustment did not have an effect on total net assets or the change in total net assets for 2021 or 2020.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position as of June 30, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 828,028	\$ 871,344
Unconditional promises to give	4,383	6,941
Board designated endowment distributions and appropriations	265,397	326,529
Endowment distributions and appropriations	364,131	326,693
	<u>\$ 1,461,939</u>	<u>\$ 1,531,507</u>

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments (quasi-endowments). Income from donor-restricted endowments is restricted for specific purposes, with the exception of three endowments that are designated for general operations.

As of June 30, 2021 and 2020, board-designated quasi-endowment of \$4,570,747 and \$2,207,086, respectively, are subject to an annual spending rate of 4.25% percent as described in Note 13. The board has also authorized additional spending from the quasi-endowment to fund priorities of the university. As of June 30, 2021 and 2020, amounts appropriated from the quasi-endowment for general expenditure as part of our Board's annual without donor restriction funding requests process is \$265,397 and \$326,529, respectively for the upcoming fiscal year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. LIQUIDITY AND AVAILABILITY (Continued)

In 2020, the Foundation forward funded anticipated pledges of \$2.9M so that construction of the new college of business building, Richards Hall, could begin. The forward funding, along with \$3M from Richards Hall donations received, were transferred to the Georgia Finance & Investment Commission in October 2019. The quasi-endowment funding is being replenished as pledge payments are received. Although the Foundation does not intend to spend from this investment account above, the funds could be made available (if necessary).

As part of a liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, mainly money market funds. The Foundation utilize "sweep" accounts which generated \$11,465 and \$88,667, respectively for general operations for the years ended June 30, 2021 and 2020. In 2021 and 2020, the Foundation withdrew allowed excess surplus reserves from its subsidiary of \$84,582 and \$279,673, respectively.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Foundation had a total of \$6,139,847 and \$6,717,876 on deposit with multiple banks as of June 30, 2021 and 2020, respectively. Of this total, \$4,441,007 and \$4,968,089, respectively, was in excess of federally insured limits.

NOTE 4. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2021 and 2020, unconditional promises to give consisted of the following:

	2021	2020
Unconditional promises to give without donor restrictions	\$ 7,313	\$ 10,871
Unconditional promises to give with donor restrictions	2,251,909	4,126,567
Unconditional promises to give for endowment	880,679	1,114,276
Unconditional promises to give before discount and allowance for uncollectible promises to give	3,139,901	5,251,714
Less unamortized discount	26,400	53,484
Subtotal	3,113,501	5,198,230
Less allowance for uncollectible promises to give	250,219	251,089
	\$ 2,863,282	\$ 4,947,141
Amount due in:		
Less than one year	\$ 1,436,989	\$ 2,603,989
One to three years	1,676,412	2,342,353
More than three years	26,500	305,372
Total	\$ 3,139,901	\$ 5,251,714

For the year ending June 30, 2021 and 2020, the discount rate used was 0.05 and 2.18 percent, respectively, as a risk-free interest rate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2021 and 2020, consists of the following:

	Life	2021	2020
Automobiles	5	\$ 329,190	\$ 329,190
Construction in progress – Facility capital improvement projects for the benefit of the University	-	78,603	132,000
		407,793	461,190
Less accumulated depreciation		197,514	131,676
		\$ 210,279	\$ 329,514

Depreciation expense totaled \$65,838 and \$65,838 for the years ended June 30, 2021 and 2020, respectively.

In 2021 and 2020, the Foundation contributed \$132,000 and \$23,862, respectively, of completed facility capital improvement projects to the University.

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, 2021:

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Money market funds	\$ 1,593,286	\$ -	\$ -	\$ -	\$ 1,593,286
Mutual funds	25,319,167	-	-	-	25,319,167
Equity securities	11,539,918	-	-	-	11,539,918
Investments in real estate	-	-	400,000	-	400,000
Alternative investments					
Hedge funds	-	-	-	1,668,111	1,668,111
Private investment fund	-	-	-	912,513	912,513
Total investments	38,452,371	-	400,000	2,580,624	41,432,995
Split interest agreements:					
Gift annuity trusts	66,341	-	-	-	66,341
Charitable remainder trusts	-	110,168	-	-	110,168
Total assets held under split interest agreements	66,341	110,168	-	-	176,509
Total assets at fair value	\$ 38,518,712	\$ 110,168	\$ 400,000	\$ 2,580,624	\$ 41,609,504

As of June 30, 2021, the total investments include \$861,423 of agency fund assets held for the Athletic Foundation that are required to be reported at fair value.

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 table above and below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. FAIR VALUE MEASUREMENTS (Continued)

For investments in entities that calculate net asset value or its equivalent whose fair value is not readily determinable, the following table provides information about the probability of investments being sold at amounts different from their net asset value per share at June 30, 2021:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Partnership Funds				
JP Morgan Global Access Private Investments Vintage 2014 Offshore, L.P.	\$ 791,329	\$ 139,583	N/A	N/A
Harbourvest Access – 2020 Global Fund	121,184	900,000	N/A	N/A
Hedge Funds				
Lighthouse Global Long/Short Fund Limited	1,262,238	-	Monthly	90 days
Board of Regents Short Term Fund	405,873	-	Monthly	90 days
	<u>\$ 2,580,624</u>	<u>\$ 1,039,583</u>		

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV Practical Expedient</u>	<u>Total</u>
Money market funds	\$ 710,364	\$ -	\$ -	\$ -	\$ 710,364
Mutual funds	19,353,492	-	-	-	19,353,492
Equity securities	7,611,851	-	-	-	7,611,851
Investments in real estate	-	-	400,000	-	400,000
Alternative investments					
Hedge funds	-	-	-	2,962,507	2,962,507
Private investment fund	-	-	-	752,306	752,306
Total investments	<u>27,675,707</u>	<u>-</u>	<u>400,000</u>	<u>3,714,813</u>	<u>31,790,520</u>
Split interest agreements:					
Gift annuity trusts	54,422	-	-	-	54,422
Charitable remainder trusts	-	91,821	-	-	91,821
Total assets held under split interest agreements	54,422	91,821	-	-	146,243
Total assets at fair value	<u>\$ 27,730,129</u>	<u>\$ 91,821</u>	<u>\$ 400,000</u>	<u>\$ 3,714,813</u>	<u>\$ 31,936,763</u>

As of June 30, 2020, the total investments include \$678,688 of agency fund assets held for the Athletic Foundation that are required to be reported at fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. FAIR VALUE MEASUREMENTS (Continued)

For investments in entities that calculate net asset value or its equivalent whose fair value is not readily determinable, the following table provides information about the probability of investments being sold at amounts different from their net asset value per share at June 30, 2020:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Partnership Funds				
JP Morgan Global Access Private Investments Vintage 2014 Offshore, L.P.	\$ 752,306	\$ 173,684	N/A	N/A
Hedge Funds				
Lighthouse Diversified Fund Limited	901,216	-	Monthly	90 days
Lighthouse Global Long/Short Fund Limited	1,379,170	-	Monthly	90 days
Board of Regents Short Term Fund	682,121	-	Monthly	90 days
	<u>\$ 3,714,813</u>	<u>\$ 173,684</u>		

NOTE 7. INVESTMENTS IN DIRECT FINANCING LEASES

The Foundation's leasing operations consist of leasing real estate with the University and Board of Regents for the operation and management of the student housing facilities and parking lots under direct financing-type leases expiring in various years through June 2039.

Following is a summary of the components of the Foundation's net investments in direct financing-type leases as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Total minimum lease payments to be received	\$ 44,830,728	\$ 48,437,709
Less unearned income	10,155,017	11,650,850
Net investment	<u>\$ 34,675,711</u>	<u>\$ 36,786,859</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. INVESTMENTS IN DIRECT FINANCING LEASES (Continued)

Net minimum lease payments to be received as of June 30, 2021 for each of the next five years and thereafter are:

June 30,	<u>Amount</u>
2022	\$ 2,224,658
2023	2,333,753
2024	2,429,055
2025	2,557,516
2026	2,678,259
2027-2031	11,220,073
2032-2036	6,702,027
2037-2039	4,530,370
	<u>\$ 34,675,711</u>

NOTE 8. ASSETS LIMITED AS TO USE

The financing of the purchase of various facilities including student housing facilities and parking decks is subject to the terms of Trusts Indentures between the Carrollton Payroll Development Authority and Trustees. Under the provisions of the Trust Indentures, Debt Service Reserve Funds will be used to pay principal of, premium, if any, and interest on the bonds if sufficient funds are on deposit with the Trustees on the date such payment is due. The Trust Indentures also provide for other funds, including the Replacement Funds.

Pursuant to the Agreements, the Borrower has agreed to deliver the gross revenues attributable to the project to the Trustees for deposit in the Revenue Funds, as applicable, from which the operating expenses of the project, debt service of the bonds, and other amounts will be paid. The Trustees shall transfer all remaining amounts into the Surplus Fund.

Operating and Maintenance Funds were established to be used for budgeted operating expenses.

Principal and Interest Funds were established to be used as sinking funds to pay the principal of, premium, if any, and interest on the bonds.

Project Construction Funds were established to maintain bond proceeds that will be used to fund construction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. ASSETS LIMITED AS TO USE (Continued)

If on any interest payment date there should be insufficient funds within an account in the bond funds to pay interest, principal or premium due on the respective series of bonds, there shall be transferred to the respective account in the bond funds from the related account in the debt service reserve funds; such amounts as are necessary to pay the interest, principal, and premium due on the related series of bonds.

A summary of the assets limited as to use held by the Trustee under the Trust Indenture as of June 30, 2021 and 2020 is as follows:

	2021	2020
Pledge Revenue Fund	\$ -	\$ 13
Interest Funds	802,525	845,775
Principal Funds	1,845,000	1,730,000
Replacement Funds	3,423,438	3,151,508
Surplus Funds	251,303	94,086
	\$ 6,322,266	\$ 5,821,382

NOTE 9. BONDS PAYABLE

On March 14, 2019, the Carrollton Payroll Development Authority issued Refunding Revenue Series 2019 bonds and loaned the proceeds to the UWG Housing, LLC Project in the aggregate principal amount of \$34,365,000. As of the date of the refunded bond issuance, the Foundation changed Evergreen Complex, LLC's legal name to UWG Housing, LLC. The Refunding Revenue Series 2019 bonds were issued to refund the remaining West Georgia Foundation for Student Housing Series 2004 bond debt, the University of West Georgia Student Housing Series 2005 bond debt, and the Evergreen Complex Series 2008 bond debt.

The Refunding Series 2019 bonds will mature on July 1, 2039, subject to mandatory and optional redemption provisions. The bonds bear interest, payable semiannually on January 1st and July 1st, commencing July 1, 2020, at a fixed interest rate set at issuance.

Interest will accrue at the fixed rate until converted to another fixed rate in accordance with the terms of the Indenture. The applicable interest rates ranged from 4.00% to 5.00%.

The terms of the bonds required the Foundation to set rates and charges for the University Facilities, such that the debt service coverage ratio, calculated at the end of each fiscal year will not be less than 1.0 in each fiscal year while the rental agreements are in effect.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9. BONDS PAYABLE (Continued)

The Foundation shall exercise its option under the Loan Agreement and Indenture to have the Refunding Series 2019 bonds redeemed in the principal and interest amounts set forth in the following table:

Redemption Date (July 1 st of fiscal year)	Principal	Interest	Total
2022	\$ 1,845,000	\$ 1,558,925	\$ 3,403,925
2023	1,950,000	1,464,050	3,414,050
2024	2,045,000	1,364,175	3,409,175
2025	2,145,000	1,259,425	3,404,425
2026	2,255,000	1,149,425	3,404,425
2027-2031	11,145,000	3,945,875	15,090,875
2032-2036	5,675,000	1,997,625	7,672,625
2037-2040	5,575,000	545,425	6,120,425
	<u>\$ 32,635,000</u>	<u>\$ 13,284,925</u>	<u>45,919,925</u>

Summary:

A summary of the components of bonds payable at June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Refunding Series 2019 UWG Housing Project bonds	\$ 32,635,000	\$ 34,365,000
Unamortized bond issuance costs, net	(426,705)	(489,566)
Unamortized original issue premium, net	3,696,225	4,382,460
	<u>\$ 35,904,520</u>	<u>\$ 38,257,894</u>

Bond interest expense incurred totaled \$981,676 and \$1,069,676 for the years ended June 30, 2021 and 2020, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. LEASES

The Foundation entered into a ground lease in June 2003 with the Board of Regents of the University System of Georgia for the purpose of erecting, operating, and maintaining the University Suites (Phase I) student housing facility. The primary term of the ground lease is twenty-seven years. The Foundation agreed to pay the lessor the sum of ten dollars per year in advance upon execution of the lease.

The Foundation entered into a ground lease in October 2004 with the Board of Regents of the University System of Georgia for the purpose of erecting, operating, and maintaining the Arbor View (Phase II) student housing facility. The primary term of the ground lease is twenty-five years. The Foundation agreed to pay the lessor the sum of ten dollars per year in advance upon execution of the lease.

The Foundation entered into a ground lease in August 2008 with the Board of Regents of the University System of Georgia for the purpose of erecting, operating, and maintaining a parking lot and Greek Village student housing facilities. The primary term of the ground lease is thirty years. The Foundation agreed to pay the lessor the sum of ten dollars per year in advance upon execution of the lease.

The Foundation entered into the first amendment and assignment of the West Georgia Foundation for Student Housing, LLC, the University of West Georgia Student Housing, LLC, and the Evergreen Complex, LLC ground leases in March 2019 with the Board of Regents of the University System of Georgia for the purpose of assigning to operate and maintain the following projects under UWG Housing, LLC; three student housing facilities, and a parking deck. The primary term in first amendment and assignment of the ground leases is twenty years. For each lease, the Foundation agreed to pay the lessor the sum of ten dollars per year in advance upon execution of all four leases.

The Foundation entered into financing leases on June 30, 2018 with a local dealership for the purpose of leasing ten vehicles through June 2024 for the use by UWG Athletic staff. The leases are paid from Athletic operations designated funds. The economic substance of the leases are that the Foundation is financing the acquisition of assets through the leases, and, accordingly, they are recorded in the Foundation's assets and liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. LEASES (Continued)

The following is a schedule by years of future minimum payments required under the leases together with their present value as of June 30, 2021:

	Minimum annual lease payments	Less amount representing interest	NPV of minimum lease payments
2022	\$ 60,768	\$ 4,645	\$ 56,123
2023	60,768	2,860	57,908
2024	60,768	1,022	59,746
	\$ 182,304	\$ 8,527	\$ 173,777

NOTE 11. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2021 and 2020:

	2021	2020
Subject to expenditure for specified purpose:		
Chair and professorship	\$ 957,435	\$ 448,370
Program support	5,185,378	4,196,445
Scholarship	9,685,063	5,963,475
Other University support	3,073,919	5,057,856
Total subject to expenditure for specified purpose:	18,901,795	15,666,146
Perpetual in nature:		
Chair and professorship	1,781,821	1,773,009
Program support	4,869,817	4,683,044
Scholarship	19,289,391	17,102,123
Other University support	234,784	227,573
Total perpetual in nature:	26,175,813	23,785,749
Total net assets with donor restrictions:	\$ 45,077,608	\$ 39,451,895

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. RESTRICTIONS ON NET ASSETS (Continued)

Net assets with donor restrictions consist of the following as of June 30, 2021 and 2020:

	2021	2020
Subject to expenditure for specified purpose:		
Cash	\$ 5,557,828	\$ 5,450,687
Accrued interest receivable	5	13,218
Unconditional promises to give, net	2,047,497	3,974,327
Cash surrender value of life insurance policies	192,107	170,203
Assets held under split interest agreements	15,426	16,655
Investments	11,100,380	6,044,912
Accounts receivable – related party	-	428
Accounts payable	(11,448)	(4,284)
Total subject to expenditure for specified purpose:	18,901,795	15,666,146
Endowments (perpetual in nature and purpose restrictions):		
Cash	31,613	-
Assets held under split interest agreements	115,148	91,821
Unconditional promises to give, net	813,110	970,364
Investments	25,215,942	22,723,564
Total endowments:	26,175,813	23,785,749
Total net assets with donor restrictions:	\$ 45,077,608	\$ 39,451,895

NOTE 12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2021 and 2020 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

	2021	2020
Chair and professorship	\$ 55,306	\$ 70,084
Program support	635,121	977,198
Scholarship	1,120,664	1,131,100
Other University support	2,212,881	3,446,705
	\$ 4,023,972	\$ 5,625,087

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. 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 as net assets with donor restrictions that are perpetual in nature 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 that are perpetual in nature is classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

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 with donor restrictions. At June 30, 2021, the Foundation had \$800 of deficiencies in the endowment. At June 30, 2020, the Foundation had \$5,718 of deficiencies in the endowment.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt 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 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 assets 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Related to Spending Policy

The Foundation's Finance and Investment Committee of the Board of Trustees (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 both the 2020 and 2021 academic school years. The Foundation's spending policy is based on a twelve quarter rolling average of the fair market value of the endowment investments, and is distributed for purposes of supporting activities with and without restrictions. The spending policy allocation is charged bi-annually to the endowment funds. In addition, the Foundation charges an annual 1.25% administration fee to support unrestricted activities quarterly, which is based on a twelve quarter rolling average of the fair market value of the endowment investments.

The Endowment Net Asset Composition by type of Fund as of June 30, 2021 and 2020 is as follows:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total
June 30, 2021			
Board-designated endowment funds	\$ 4,570,747	\$ -	\$ 4,570,747
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	25,216,742	25,216,742
Accumulated investment gains	-	11,284,870	11,284,870
Endowment net assets, end of year	<u>\$ 4,570,747</u>	<u>\$ 36,501,612</u>	<u>\$ 41,072,359</u>
June 30, 2020			
Board-designated endowment funds	\$ 2,207,086	\$ -	\$ 2,207,086
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	22,729,281	22,729,281
Accumulated investment gains	-	5,888,196	5,888,196
Endowment net assets, end of year	<u>\$ 2,207,086</u>	<u>\$ 28,617,477</u>	<u>\$ 30,824,563</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. ENDOWMENT (Continued)

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

	Quasi- Endowment <i>(Without Donor Restrictions)</i>	Endowment <i>(With Donor Restrictions)</i>	Total
Endowment net assets, beginning of year	\$ 2,207,086	\$ 28,617,477	\$ 30,824,563
Investment return:			
Investment income (loss), net of investment fees	31,818	(36,086)	(4,268)
Realized and unrealized net gains	725,998	7,486,177	8,212,175
Total investment return	757,816	7,450,091	8,207,907
Contributions	-	1,183,815	1,183,815
Transfers	1,885,766	(23,163)	1,862,603
Change in donor intent	-	47	47
Appropriation of endowment assets for expenditure	(279,921)	(726,655)	(1,006,576)
Endowment net assets, end of year	<u>\$ 4,570,747</u>	<u>\$ 36,501,612</u>	<u>\$ 41,072,359</u>

The Changes in Endowment Net Assets for the year ended June 30, 2020 are:

	Quasi- Endowment <i>(Without Donor Restrictions)</i>	Endowment <i>(With Donor Restrictions)</i>	Total
Endowment net assets, beginning of year	\$ 5,615,743	\$ 28,821,000	\$ 34,436,743
Investment return:			
Investment income, net of investment fees	34,762	94,393	129,155
Realized and unrealized net gains	(38,861)	(287,044)	(325,905)
Total investment return	(4,099)	(192,651)	(196,750)
Contributions	-	788,340	788,340
Transfers	(3,404,558)	(28,545)	(3,433,103)
Change in donor intent	-	13,679	13,679
Appropriation of endowment assets for expenditure	-	(784,346)	(784,346)
Endowment net assets, end of year	<u>\$ 2,207,086</u>	<u>\$ 28,617,477</u>	<u>\$ 30,824,563</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14. RELATED PARTY TRANSACTIONS

The Foundation holds funds at various financial institutions in order to minimize credit risk. The Foundation has funds in two financial institutions as of June 30, 2021 and 2020, of which members of their upper management were also members of the Foundation's Board of Trustees. Deposits held at the financial institutions totaled \$4,712,448 and \$4,818,749 at June 30, 2021 and 2020, respectively.

The Foundation shares a mutual board member with the UWG Athletic Foundation who the Foundation holds funds as an agency transaction discussed in Note 1.

NOTE 15. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the change in net assets. Other financial impacts could occur though the extent of potential impact is unknown at this time. The Foundation is monitoring the risk and considers it to be diminishing.

NOTE 16. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events occurring through August 26, 2021, the date on which the consolidated financial statements were available to be issued.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

	University of West Georgia Foundation, Inc.	UWG Housing, LLC	Eliminations	Total
ASSETS				
Cash and cash equivalents				
Operating	\$ 2,935,135	\$ -	\$ -	\$ 2,935,135
Money market deposits	3,890,326	-	-	3,890,326
Agency fund assets	861,423	-	-	861,423
Prepaid expenses	64,287	-	-	64,287
Unconditional promises to give, net	2,863,282	-	-	2,863,282
Accrued interest receivable	134	-	-	134
Net investments in direct financing leases	-	34,675,711	-	34,675,711
Investments	40,171,572	-	-	40,171,572
Investments in real estate	400,000	-	-	400,000
Assets held under split interest agreements	176,509	-	-	176,509
Cash surrender value of life insurance policy	197,087	-	-	197,087
Property and equipment, net	131,676	78,603	-	210,279
Assets limited as to use	-	6,322,266	-	6,322,266
	<u>51,691,431</u>	<u>41,076,580</u>	<u>-</u>	<u>92,768,011</u>
Total assets	<u>\$ 51,691,431</u>	<u>\$ 41,076,580</u>	<u>\$ -</u>	<u>\$ 92,768,011</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 24,585	\$ 81,014	\$ -	\$ 105,599
Accounts payable - related party	1,500	-	-	1,500
Agency fund payable	861,423	-	-	861,423
Liabilities under split interest agreements	125,064	-	-	125,064
Accrued interest payable	-	802,526	-	802,526
Deferred revenue	1,000	-	-	1,000
Financing lease liability	173,777	-	-	173,777
Bonds payable, net	-	35,904,520	-	35,904,520
	<u>1,187,349</u>	<u>36,788,060</u>	<u>-</u>	<u>37,975,409</u>
Total liabilities	<u>1,187,349</u>	<u>36,788,060</u>	<u>-</u>	<u>37,975,409</u>
Net assets				
Without donor restrictions				
Undesignated	584,028	4,288,520	-	4,872,548
Board designated	4,842,446	-	-	4,842,446
	<u>5,426,474</u>	<u>4,288,520</u>	<u>-</u>	<u>9,714,994</u>
Total without donor restrictions	<u>5,426,474</u>	<u>4,288,520</u>	<u>-</u>	<u>9,714,994</u>
With donor restrictions	<u>45,077,608</u>	<u>-</u>	<u>-</u>	<u>45,077,608</u>
Total net assets	<u>50,504,082</u>	<u>4,288,520</u>	<u>-</u>	<u>54,792,602</u>
Total liabilities and net assets	<u>\$ 51,691,431</u>	<u>\$ 41,076,580</u>	<u>\$ -</u>	<u>\$ 92,768,011</u>

See Note to Supplemental Information.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020**

	University of West Georgia Foundation, Inc.	UWG Housing, LLC	Eliminations	Total
ASSETS				
Cash and cash equivalents				
Operating	\$ 2,775,855	\$ -	\$ -	\$ 2,775,855
Money market deposits	3,774,496	-	-	3,774,496
Agency fund assets	678,688	-	-	678,688
Prepaid expenses	83,428	-	-	83,428
Unconditional promises to give, net	4,947,141	-	-	4,947,141
Accounts receivable - related party	345	-	-	345
Accrued interest receivable	14,310	-	-	14,310
Inter-company receivables	-	36,786,859	-	36,786,859
Net investments in direct financing leases	30,711,832	-	-	30,711,832
Investments	400,000	-	-	400,000
Assets held under split interest agreements	146,243	-	-	146,243
Cash surrender value of life insurance policy	174,270	-	-	174,270
Property and equipment, net	197,514	132,000	-	329,514
Assets limited as to use	-	5,821,382	-	5,821,382
	<u>-</u>	<u>5,821,382</u>	<u>-</u>	<u>5,821,382</u>
Total assets	<u>\$ 43,904,122</u>	<u>\$ 42,740,241</u>	<u>\$ -</u>	<u>\$ 86,644,363</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 6,500	\$ 140,593	\$ -	\$ 147,093
Agency fund payable	678,688	-	-	678,688
Inter-company payables	91,819	-	-	91,819
Liabilities under split interest agreements	-	845,775	-	845,775
Accrued interest payable	4,200	-	-	4,200
Financing lease liability	228,172	-	-	228,172
Bonds payable, net	-	38,257,894	-	38,257,894
	<u>-</u>	<u>38,257,894</u>	<u>-</u>	<u>38,257,894</u>
Total liabilities	<u>1,009,379</u>	<u>39,244,262</u>	<u>-</u>	<u>40,253,641</u>
Net assets				
Without donor restrictions				
Undesignated	1,028,593	3,495,979	-	4,524,572
Board designated	2,414,255	-	-	2,414,255
	<u>3,442,848</u>	<u>3,495,979</u>	<u>-</u>	<u>6,938,827</u>
Total without donor restrictions	<u>3,442,848</u>	<u>3,495,979</u>	<u>-</u>	<u>6,938,827</u>
With donor restrictions	<u>39,451,895</u>	<u>-</u>	<u>-</u>	<u>39,451,895</u>
Total net assets	<u>42,894,743</u>	<u>3,495,979</u>	<u>-</u>	<u>46,390,722</u>
Total liabilities and net assets	<u>\$ 43,904,122</u>	<u>\$ 42,740,241</u>	<u>\$ -</u>	<u>\$ 86,644,363</u>

See Note to Supplemental Information.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	University of West Georgia Foundation, Inc.	UWG Housing, LLC	Eliminations	Total
REVENUES AND OTHER SUPPORT				
Contributions and special events	\$ 2,447,572	\$ -	\$ -	\$ 2,447,572
Investment (losses) income, net of investment fees	(9,739)	549	(348,721)	339,531
Net realized and unrealized gains on investments	8,183,840	-	-	8,183,840
Donated goods and services	1,265,549	-	-	1,265,549
Administrative fees	357,559	-	348,721	8,838
Leasing income:				
Rental revenue	-	437,080	-	437,080
Interest income on direct financing leases	-	1,495,832	-	1,495,832
Other income	-	46,715	-	46,715
Total leasing income	-	1,979,627	-	1,979,627
Total revenues and other support	<u>12,244,781</u>	<u>1,980,176</u>	<u>-</u>	<u>14,224,957</u>
EXPENSES				
Program services				
Academic and education	1,421,277	-	-	1,421,277
Other program support	1,539,855	-	-	1,539,855
Campus facilities:				
Insurance	-	61,148	-	61,148
Interest expense	-	981,676	-	981,676
Professional fees	-	11,930	-	11,930
Contribution expense of facility projects to the University	-	214,962	-	214,962
Other operating expenses	-	2,501	-	2,501
Total campus facilities	-	1,272,217	-	1,272,217
Total program services	<u>2,961,132</u>	<u>1,272,217</u>	<u>-</u>	<u>4,233,349</u>
Supporting services				
Administration and general	834,955	-	-	834,955
Fundraising	754,773	-	-	754,773
Total supporting services	<u>1,589,728</u>	<u>-</u>	<u>-</u>	<u>1,589,728</u>
Total expenses	<u>4,550,860</u>	<u>1,272,217</u>	<u>-</u>	<u>5,823,077</u>
CHANGE IN NET ASSETS	<u>7,693,921</u>	<u>707,959</u>	<u>-</u>	<u>8,401,880</u>
NET ASSETS, BEGINNING	<u>42,894,743</u>	<u>3,495,979</u>	<u>-</u>	<u>46,390,722</u>
TRANSFERS	<u>(84,582)</u>	<u>84,582</u>	<u>-</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 50,504,082</u>	<u>\$ 4,288,520</u>	<u>\$ -</u>	<u>\$ 54,792,602</u>

See Note to Supplemental Information.

**UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	University of West Georgia Foundation, Inc.	UWG Housing, LLC	Eliminations	Total
REVENUES AND OTHER SUPPORT				
Contributions and special events	\$ 2,290,879	\$ -	\$ -	\$ 2,290,879
Investment income, net of investment fees	149,029	4,832	(339,387)	493,248
Net realized and unrealized (losses) on investments	(215,571)	-	-	(215,571)
Unrealized loss on investment in real estate	(160,000)	-	-	(160,000)
Donated goods and services	1,366,488	-	-	1,366,488
Administrative fees	348,313	-	339,387	8,926
Leasing income:				
Rental revenue	-	424,349	-	424,349
Interest income on direct financing leases	-	1,595,234	-	1,595,234
Total leasing income	-	2,019,583	-	2,019,583
 Total revenues and other support	 <u>3,779,138</u>	 <u>2,024,415</u>	 <u>-</u>	 <u>5,803,553</u>
EXPENSES				
Program services				
Academic and education	1,337,343	-	-	1,337,343
Other program support	7,850,411	-	-	7,850,411
Campus facilities:				
Insurance	-	55,527	-	55,527
Interest expense	-	1,069,676	-	1,069,676
Professional fees	-	12,681	-	12,681
Contribution expense of facility projects to the University	-	32,712	-	32,712
Other operating expenses	-	2,500	-	2,500
Total campus facilities	-	1,173,096	-	1,173,096
 Total program services	 <u>9,187,754</u>	 <u>1,173,096</u>	 <u>-</u>	 <u>10,360,850</u>
Supporting services				
Administration and general	944,241	-	-	944,241
Fundraising	825,561	-	-	825,561
 Total supporting services	 <u>1,769,802</u>	 <u>-</u>	 <u>-</u>	 <u>1,769,802</u>
 Total expenses	 <u>10,957,556</u>	 <u>1,173,096</u>	 <u>-</u>	 <u>12,130,652</u>
CHANGE IN NET ASSETS	<u>(7,178,418)</u>	<u>851,319</u>	<u>-</u>	<u>(6,327,099)</u>
NET ASSETS, BEGINNING	<u>49,793,488</u>	<u>2,924,333</u>	<u>-</u>	<u>52,717,821</u>
TRANSFERS	<u>279,673</u>	<u>(279,673)</u>	<u>-</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 42,894,743</u>	<u>\$ 3,495,979</u>	<u>\$ -</u>	<u>\$ 46,390,722</u>

See Note to Supplemental Information.

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC. AND SUBSIDIARY
NOTE TO SUPPLEMENTAL INFORMATION

NOTE 1. CONSOLIDATING FINANCIAL STATEMENTS

For the years ended June 30, 2021 and 2020, the Foundation has presented the investments in subsidiary at cost on the consolidating statements of financial position.

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents		
Operating	\$ 2,935,135	\$ 2,775,855
Money market deposits	3,890,326	3,774,496
Agency fund assets	861,423	678,688
Prepaid expenses	64,287	83,428
Unconditional promises to give, net	2,863,282	4,947,141
Accounts receivable - related party	-	345
Accrued interest receivable	134	14,310
Investments	40,171,572	30,711,832
Investments in real estate	400,000	400,000
Assets held under split interest agreements	176,509	146,243
Cash surrender value of life insurance policy	197,087	174,270
Property and equipment, net	131,676	197,514
 Total assets	 \$ 51,691,431	 \$ 43,904,122
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 24,586	\$ 6,500
Accounts payable - related party	1,500	-
Agency fund payable	861,423	678,688
Deferred revenue	1,000	4,200
Liabilities under split interest agreements	125,064	91,819
Financing lease liability	173,777	228,172
 Total liabilities	 1,187,350	 1,009,379
 Net assets		
Without donor restrictions		
Undesignated	584,028	1,028,593
Board designated	4,842,446	2,414,255
 Total without donor restrictions	 5,426,474	 3,442,848
With donor restrictions	45,077,608	39,451,895
 Total net assets	 50,504,082	 42,894,743
 Total liabilities and net assets	 \$ 51,691,432	 \$ 43,904,122

UNIVERSITY OF WEST GEORGIA 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>
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 267,526	\$ 2,180,046	\$ 2,447,572
Investment income, net of investment fees	(36,789)	27,050	(9,739)
Net realized and unrealized gains on investments	697,726	7,486,114	8,183,840
Donated goods and services	1,265,549	-	1,265,549
Administrative fees	357,559	-	357,559
	<u>2,551,571</u>	<u>9,693,210</u>	<u>12,244,781</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>4,023,972</u>	<u>(4,023,972)</u>	<u>-</u>
Total revenues and other support	<u>6,575,543</u>	<u>5,669,238</u>	<u>12,244,781</u>
EXPENSES			
Program services			
Academic and education	1,421,277	-	1,421,277
Other program support	1,539,855	-	1,539,855
Total program services	<u>2,961,132</u>	<u>-</u>	<u>2,961,132</u>
Supporting services			
Administration and general	834,955	-	834,955
Fundraising	754,773	-	754,773
Total supporting services	<u>1,589,728</u>	<u>-</u>	<u>1,589,728</u>
Total expenses	<u>4,550,860</u>	<u>-</u>	<u>4,550,860</u>
CHANGE IN NET ASSETS	<u>2,024,683</u>	<u>5,669,238</u>	<u>7,693,921</u>
NET ASSETS, BEGINNING	<u>3,442,848</u>	<u>39,451,895</u>	<u>42,894,743</u>
TRANSFERS	<u>(84,582)</u>	<u>-</u>	<u>(84,582)</u>
CHANGE IN DONOR INTENT	<u>43,525</u>	<u>(43,525)</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 5,426,474</u>	<u>\$ 45,077,608</u>	<u>\$ 50,504,082</u>

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 1,043,688	\$ 1,247,191	\$ 2,290,879
Investment income, net of investment fees	77,822	71,207	149,029
Net realized and unrealized (losses) gains on investments	(506,630)	291,059	(215,571)
Unrealized loss on investment in real estate	(160,000)	-	(160,000)
Donated goods and services	1,366,488	-	1,366,488
Administrative fees	348,313	-	348,313
	2,169,681	1,609,457	3,779,138
Net assets released from restrictions:			
Satisfaction of program restrictions	5,625,087	(5,625,087)	-
Total revenues and other support	7,794,768	(4,015,630)	3,779,138
EXPENSES			
Program services			
Academic and education	1,337,343	-	1,337,343
Other program support	7,850,411	-	7,850,411
Total program services	9,187,754	-	9,187,754
Supporting services			
Administration and general	944,241	-	944,241
Fundraising	825,561	-	825,561
Total supporting services	1,769,802	-	1,769,802
Total expenses	10,957,556	-	10,957,556
CHANGE IN NET ASSETS	(3,162,788)	(4,015,630)	(7,178,418)
NET ASSETS, BEGINNING	6,415,902	43,377,586	49,793,488
TRANSFERS	279,673	-	279,673
CHANGE IN DONOR INTENT	(89,939)	89,939	-
NET ASSETS, ENDING	\$ 3,442,848	\$ 39,451,895	\$ 42,894,743

UWG HOUSING, LLC

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Net investments in direct financing leases	\$ 34,675,711	\$ 36,786,859
Assets limited as to use	6,322,266	5,821,382
Property and equipment, net	<u>78,603</u>	<u>132,000</u>
Total assets	<u>\$ 41,076,580</u>	<u>\$ 42,740,241</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 81,014	\$ 140,593
Accrued interest payable	802,526	845,775
Bonds payable, net	<u>35,904,520</u>	<u>38,257,894</u>
Total liabilities	<u>36,788,060</u>	<u>39,244,262</u>
 Net Assets		
Without donor restrictions	<u>4,288,520</u>	<u>3,495,979</u>
Total liabilities and net assets	<u>\$ 41,076,580</u>	<u>\$ 42,740,241</u>

UWG HOUSING, LLC

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Without donor restrictions	Without donor restrictions
	2021	2020
REVENUES AND OTHER SUPPORT		
Investment income	\$ 549	\$ 4,832
Leasing income:		
Rental revenue	437,080	424,349
Interest income on direct financing leases	1,495,832	1,595,234
Other income	46,715	-
Total leasing income	1,979,627	2,019,583
 Total revenues and other support	 1,980,176	 2,024,415
EXPENSES		
Program services		
Campus facilities:		
Insurance	61,148	55,527
Interest expense	981,676	1,069,676
Professional fees	11,930	12,681
Contribution expense of facility projects to the University	214,962	32,712
Other operating expenses	2,501	2,500
Total campus facilities	1,272,217	1,173,096
 Total program services	 1,272,217	 1,173,096
 Total expenses	 1,272,217	 1,173,096
 CHANGE IN NET ASSETS	 707,959	 851,319
NET ASSETS, BEGINNING	3,495,979	2,924,333
TRANSFERS	84,582	(279,673)
NET ASSETS, ENDING	\$ 4,288,520	\$ 3,495,979