

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

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2022

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL REPORT JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University of West Georgia Foundation, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of West Georgia Foundation, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated financial statements.

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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University of West Georgia Foundation, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of West Georgia Foundation, Inc. and Subsidiary'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.

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 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
September 2, 2022

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	2022	2021
ASSETS		
Cash and cash equivalents		
Operating	\$ 3,195,030	\$ 2,935,135
Money market deposits	3,722,389	3,890,326
Agency fund assets	747,034	861,423
Prepaid expenses	11,247	64,287
Unconditional promises to give, net	3,316,781	2,863,282
Accrued interest receivable	1,646	134
Net investments in direct financing leases	32,451,052	34,675,711
Investments	35,334,536	40,171,572
Investments in real estate	235,000	400,000
Assets held under split interest agreements	144,886	176,509
Cash surrender value of life insurance policy	219,404	197,087
Property and equipment, net	117,671	210,279
Assets limited as to use	6,644,265	6,322,266
 Total assets	 \$ 86,140,941	 \$ 92,768,011
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 150,640	\$ 105,599
Accounts payable - related party	-	1,500
Agency fund payable	747,034	861,423
Liabilities under split interest agreements	96,420	125,064
Accrued interest payable	756,400	802,526
Deferred revenue	6,430	1,000
Financing lease liability	117,655	173,777
Bonds payable, net	33,476,079	35,904,520
 Total liabilities	 35,350,658	 37,975,409
 Net assets		
Without donor restrictions		
Undesignated	6,187,759	4,872,548
Board designated	4,537,643	4,842,446
 Total without donor restrictions	 10,725,402	 9,714,994
With donor restrictions	40,064,881	45,077,608
 Total net assets	 50,790,283	 54,792,602
 Total liabilities and net assets	 \$ 86,140,941	 \$ 92,768,011

See Notes to Consolidated Financial Statements.

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

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 1,438,796	\$ 3,196,826	\$ 4,635,622
In-kind contributions	1,479,434	-	1,479,434
Investment income, net of investment fees	384,480	77,141	461,621
Net realized and unrealized (losses) on investments	(623,126)	(4,777,705)	(5,400,831)
Unrealized loss on investment in real estate	-	(165,000)	(165,000)
Administrative fees	8,898	-	8,898
Leasing income:			
Rental revenue	450,193	-	450,193
Interest income on direct financing leases	1,395,073	-	1,395,073
Other income	30,510	-	30,510
Total leasing income	1,875,776	-	1,875,776
Net assets released from restrictions:			
Satisfaction of program restrictions	3,328,871	(3,328,871)	-
Total revenues and other support	7,893,129	(4,997,609)	2,895,520
EXPENSES			
Program services			
Academic and education	1,556,488	-	1,556,488
Other program support	2,862,712	-	2,862,712
Campus facilities:			
Insurance	61,157	-	61,157
Interest expense	929,359	-	929,359
Professional fees	11,931	-	11,931
Contribution expense of facility projects to the University	228,028	-	228,028
Total campus facilities	1,230,475	-	1,230,475
Total program services	5,649,675	-	5,649,675
Supporting services			
Administration and general	547,367	-	547,367
Fundraising	700,797	-	700,797
Total supporting services	1,248,164	-	1,248,164
Total expenses	6,897,839	-	6,897,839
CHANGE IN NET ASSETS	995,290	(4,997,609)	(4,002,319)
NET ASSETS, BEGINNING	9,714,994	45,077,608	54,792,602
CHANGE IN DONOR INTENT	15,118	(15,118)	-
NET ASSETS, ENDING	\$ 10,725,402	\$ 40,064,881	\$ 50,790,283

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**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ -	\$ 2,138,511	\$ 2,138,511
In-kind contributions	1,533,075	41,535	1,574,610
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
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	2,732,642	5,669,238	8,401,880
NET ASSETS, BEGINNING	6,938,827	39,451,895	46,390,722
CHANGE IN DONOR INTENT	43,525	(43,525)	-
NET ASSETS, ENDING	\$ 9,714,994	\$ 45,077,608	\$ 54,792,602

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, 2022**

	Program services			Total program services	Supporting services		Total
	Academic and education	Other program support	Campus facilities		Administration and general	Fundraising	
Advertising	\$ -	\$ 10,589	\$ -	\$ 10,589	\$ -	\$ -	\$ 10,589
Apparel	-	12,578	-	12,578	-	1,911	14,489
Banking and processing fees	-	101	-	101	21,755	-	21,856
Bond administration expenses	-	-	11,931	11,931	-	-	11,931
Competitions	-	190	-	190	-	-	190
Conferences and seminars	-	7,998	-	7,998	1,253	-	9,251
Contract services	-	162,378	-	162,378	283	5,726	168,387
Contribution expense of facility projects to the University	-	-	228,028	228,028	-	-	228,028
Depreciation	-	-	-	-	65,838	-	65,838
Equipment	-	258,083	-	258,083	-	998	259,081
Event expense	-	-	-	-	-	26,234	26,234
Honorariums and speakers	-	41,275	-	41,275	-	-	41,275
Insurance	-	-	61,157	61,157	35,664	-	96,821
Interest expense	-	-	929,359	929,359	5,202	-	934,561
License and permits	-	-	-	-	6,211	-	6,211
Lodging	-	27,815	-	27,815	1,600	-	29,415
Marketing and promotions	-	4,532	-	4,532	-	1,372	5,904
Meals and entertainment	-	261,770	-	261,770	10,496	65,086	337,352
Membership and dues	-	23,115	-	23,115	9,726	5,225	38,066
Miscellaneous	-	4,725	-	4,725	-	-	4,725
Postage and shipping	-	1,801	-	1,801	181	79	2,061
Printing and reproduction	-	5,086	-	5,086	-	-	5,086
Professional fees	-	26,915	-	26,915	28,298	-	55,213
Program support	-	1,005,822	-	1,005,822	-	-	1,005,822
Publications and subscriptions	-	679	-	679	168	-	847
Recognition and awards	-	74,914	-	74,914	2,567	4,013	81,494
Rentals	-	14,481	-	14,481	17,790	15,094	47,365
Repairs and maintenance	-	15,529	-	15,529	-	-	15,529
Salaries and benefits	-	598,549	-	598,549	306,860	507,080	1,412,489
Scholarships	1,556,488	-	-	1,556,488	-	-	1,556,488
Sponsorships	-	70,284	-	70,284	13,590	-	83,874
Supplies	-	88,498	-	88,498	17,399	64,330	170,227
Telecommunications	-	9,753	-	9,753	-	-	9,753
Travel	-	135,252	-	135,252	2,486	3,649	141,387
Total expenses	<u>\$ 1,556,488</u>	<u>\$ 2,862,712</u>	<u>\$ 1,230,475</u>	<u>\$ 5,649,675</u>	<u>\$ 547,367</u>	<u>\$ 700,797</u>	<u>\$ 6,897,839</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, 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	-	-	1,383
Contract services	-	11,644	-	11,644	1,250	-	12,894
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 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (4,002,319)	\$ 8,401,880
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized losses (gains) on investments	5,400,831	(8,183,840)
Unrealized loss on investment in real estate	165,000	-
(Recovery of) provision for doubtful accounts	(61,540)	4,135
Depreciation	65,838	65,838
Amortization of debt issuance costs	58,640	62,860
Amortization of original bond issue net premium	(642,081)	(686,234)
Contributions restricted for long-term investments	(1,234,564)	(1,062,315)
Contributions of facility projects to the University	95,552	132,000
Change in value of cash surrender value of life insurance policy	(22,317)	(22,817)
Change in value of split interest agreements	2,979	2,979
Decrease in prepaid expenses	53,040	19,141
(Increase) decrease in unconditional promises to give	(391,959)	2,079,724
Decrease in accounts receivable - related party	-	345
(Increase) decrease in accrued interest receivable	(1,512)	14,176
Decrease in net investments in direct financing leases	2,224,659	2,111,148
Increase (decrease) in accounts payable	45,041	(41,494)
(Decrease) increase in accounts payable - related party	(1,500)	1,500
(Decrease) in accrued interest payable	(46,126)	(43,249)
Increase (decrease) in deferred revenue	5,430	(3,200)
	<u>1,713,092</u>	<u>2,852,577</u>
Net cash provided by operating activities		
INVESTING ACTIVITIES		
Proceeds from sales of investments	1,952,441	2,357,749
Purchases of investments	(2,516,236)	(3,633,649)
Purchases of property and equipment	(68,782)	(78,603)
	<u>(632,577)</u>	<u>(1,354,503)</u>
Net cash (used in) investing activities		
FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in endowment	1,234,564	1,062,315
Bond redemption	(1,845,000)	(1,730,000)
Principal payments on financing lease liability	(56,122)	(54,395)
	<u>(666,558)</u>	<u>(722,080)</u>
Net cash (used in) financing activities		
Net increase in cash and cash equivalents	413,957	775,994
Cash and cash equivalents, at beginning of year	13,147,727	12,371,733
Cash and cash equivalents, at end of year	<u>\$ 13,561,684</u>	<u>\$ 13,147,727</u>
Operating	3,195,030	2,935,135
Money market deposits	3,722,389	3,890,326
Assets limited as to use	6,644,265	6,322,266
	<u>\$ 13,561,684</u>	<u>\$ 13,147,727</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	<u>\$ 975,485</u>	<u>\$ 1,024,925</u>

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, 2022 and 2021, board designated net assets totaled \$4,537,643 and \$4,842,446, respectively.

Board designated net assets are designated for the following purposes as of June 30, 2022 and 2021:

	2022	2021
Subject to expenditure for specified purpose:		
Scholarships	\$ 114,145	\$ 139,644
Student support	82,803	132,055
Board designated endowment	4,340,695	4,570,747
Total board designated net assets:	\$ 4,537,643	\$ 4,842,446

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, 2022, the Foundation obtained a change in donor intent regarding contributions previously recorded totaling \$15,118 resulting in transfers from net assets with donor restrictions to net assets without donor restrictions.

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.

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 \$1,479,434 and \$1,265,549, respectively, for the years ended June 30, 2022 and 2021.

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 \$108,664 and \$97,566, respectively, for the years ended June 30, 2022 and 2021.

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 \$208,221 and \$149,581 as of June 30, 2022 and 2021, 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 2022 and 2021, the Foundation invested money on behalf of the Athletic Foundation. At June 30, 2022 and 2021, the related investment balance held for the Athletic Foundation was \$747,034 and \$861,423, respectively. The Foundation charges an administrative fee of 1.25% to support unrestricted activities on these balances that totaled \$8,898 and \$8,838, respectively, for the years ended June 30, 2022 and 2021.

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, 2022 and 2021, 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 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 consolidated financial statements accordingly. This adjustment did not have an effect on total net assets or the change in total net assets for 2022 or 2021.

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, 2022 and 2021, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,580,920	\$ 828,028
Unconditional promises to give	2,862	4,383
Board designated endowment distributions and appropriations	355,295	265,397
Endowment distributions and appropriations	394,765	364,131
	<u>\$ 2,333,842</u>	<u>\$ 1,461,939</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, 2022 and 2021, board-designated quasi-endowment of \$4,340,695 and \$4,570,747, respectively, are subject to an annual spending rate of 4.25%, and an annual administrative fee of 1.25% as described in Note 13. The board designates the spending allocation from the quasi-endowment to fund priorities of the university. As of June 30, 2022 and 2021, amounts appropriated from the quasi-endowment for general expenditure as part of the Board's annual without donor restriction funding requests process is \$355,295 and \$265,397, respectively for the upcoming fiscal year. As of June 30, 2022 and 2021, amounts appropriated from the endowment's administrative fee and the Foundation's annual fund for general expenditure were \$394,765 and \$364,131, 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 utilizes “sweep” accounts which generated \$12,586 and \$11,465, respectively for general operations for the years ended June 30, 2022 and 2021. In 2022 and 2021, the Foundation withdrew allowed excess surplus reserves from its subsidiary of \$100,000 and \$84,582, respectively.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Foundation had a total of \$6,879,270 and \$6,139,847 on deposit with multiple banks as of June 30, 2022 and 2021, respectively. Of this total, \$6,377,545 and \$4,441,007, respectively, was in excess of federally insured limits.

NOTE 4. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2022 and 2021, unconditional promises to give consisted of the following:

	2022	2021
Unconditional promises to give without donor restrictions	\$ 4,537	\$ 7,313
Unconditional promises to give with donor restrictions	2,357,703	2,251,909
Unconditional promises to give for endowment	1,184,985	880,679
Unconditional promises to give before discount and allowance for uncollectible promises to give	3,547,225	3,139,901
Less unamortized discount	41,765	26,400
Subtotal	3,505,460	3,113,501
Less allowance for uncollectible promises to give	188,679	250,219
	\$ 3,316,781	\$ 2,863,282
Amount due in:		
Less than one year	\$ 1,330,220	\$ 1,436,989
One to three years	1,782,205	1,676,412
More than three years	434,800	26,500
Total	\$ 3,547,225	\$ 3,139,901

For the years ending June 30, 2022 and 2021, the discount rate used was 1.28% and 0.05%, respectively, as a risk-free interest rate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2022 and 2021, consists of the following:

	Life	2022	2021
Automobiles	5	\$ 329,190	\$ 329,190
Construction in progress – Facility capital improvement projects for the benefit of the University	-	51,833	78,603
		381,023	407,793
Less accumulated depreciation		263,352	197,514
		\$ 117,671	\$ 210,279

Depreciation expense totaled \$65,838 and \$65,838 for the years ended June 30, 2022 and 2021, respectively.

In 2022 and 2021, the Foundation contributed \$95,552 and \$132,000, 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, 2022:

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Money market funds	\$ 1,998,735	\$ -	\$ -	\$ -	\$ 1,998,735
Mutual funds	18,039,721	-	-	-	18,039,721
Equity securities	13,101,957	-	-	-	13,101,957
Investments in real estate	-	-	235,000	-	235,000
Alternative investments					
Hedge funds	-	-	-	1,636,455	1,636,455
Private investment fund	-	-	-	1,304,702	1,304,702
Total investments	33,140,413	-	235,000	2,941,157	36,316,570
Split interest agreements:					
Gift annuity trusts	55,217	-	-	-	55,217
Charitable remainder trusts	-	89,669	-	-	89,669
Total assets held under split interest agreements	55,217	89,669	-	-	144,886
Total assets at fair value	\$ 33,195,630	\$ 89,669	\$ 235,000	\$ 2,941,157	\$ 36,461,456

As of June 30, 2022, the total investments include \$747,034 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, 2022:

	<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.	\$ 647,250	\$ 122,286	N/A	N/A
Harbourvest Access – 2020 Global Fund	657,452	386,032	N/A	N/A
Hedge Funds				
Lighthouse Global Long/Short Fund Limited	1,237,527	-	Monthly	90 days
Board of Regents Short Term Fund	398,928	-	Monthly	90 days
	<u>\$ 2,941,157</u>	<u>\$ 508,318</u>		

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV Practical Expedient</u>	<u>Total</u>
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	<u>38,452,371</u>	<u>-</u>	<u>400,000</u>	<u>2,580,624</u>	<u>41,432,995</u>
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	<u>\$ 38,518,712</u>	<u>\$ 110,168</u>	<u>\$ 400,000</u>	<u>\$ 2,580,624</u>	<u>\$ 41,609,504</u>

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.

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>		

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Total minimum lease payments to be received	\$ 41,210,997	\$ 44,830,728
Less unearned income	<u>8,759,945</u>	<u>10,155,017</u>
Net investment	<u>\$ 32,451,052</u>	<u>\$ 34,675,711</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, 2022 for each of the next five years and thereafter are:

June 30,	<u>Amount</u>
2023	\$ 2,328,357
2024	2,434,451
2025	2,557,516
2026	2,678,259
2027	2,804,759
2028-2032	9,676,748
2033-2037	6,903,533
2038-2039	3,067,429
	<u>\$ 32,451,052</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, 2022 and 2021 is as follows:

	2022	2021
Interest Funds	\$ 756,400	\$ 802,525
Principal Funds	1,950,000	1,845,000
Replacement Funds	3,689,822	3,423,438
Surplus Funds	248,043	251,303
	\$ 6,644,265	\$ 6,322,266

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
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	2,365,000	1,033,925	3,398,925
2028-2032	9,805,000	3,422,125	13,227,125
2033-2037	5,960,000	1,713,300	7,673,300
2038-2040	4,265,000	319,575	4,584,575
	<u>\$ 30,790,000</u>	<u>\$ 11,726,000</u>	<u>\$ 42,516,000</u>

Summary:

A summary of the components of bonds payable at June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Refunding Series 2019 UWG Housing Project bonds	\$ 30,790,000	\$ 32,635,000
Unamortized bond issuance costs, net	(368,065)	(426,705)
Unamortized original issue premium, net	3,054,144	3,696,225
	<u>\$ 33,476,079</u>	<u>\$ 35,904,520</u>

Bond interest expense incurred totaled \$929,359 and \$981,676 for the years ended June 30, 2022 and 2021, 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, 2022:

	Minimum annual lease payments	Less amount representing interest	NPV of minimum lease payments
2023	\$ 60,768	\$ 2,860	\$ 57,908
2024	60,768	1,021	59,747
	\$ 121,536	\$ 3,881	\$ 117,655

NOTE 11. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2022 and 2021:

	2022	2021
Subject to expenditure for specified purpose:		
Chair and professorship	\$ 538,710	\$ 957,435
Program support	4,949,309	5,185,378
Scholarship	5,582,785	9,685,063
Other University support	1,565,557	3,073,919
Total subject to expenditure for specified purpose:	12,636,361	18,901,795
Perpetual in nature:		
Chair and professorship	1,784,010	1,781,821
Program support	5,387,949	4,869,817
Scholarship	20,020,449	19,289,391
Other University support	236,112	234,784
Total perpetual in nature:	27,428,520	26,175,813
Total net assets with donor restrictions:	\$ 40,064,881	\$ 45,077,608

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, 2022 and 2021:

	2022	2021
Subject to expenditure for specified purpose:		
Cash	\$ 4,606,817	\$ 5,557,828
Accrued interest receivable	1,446	5
Unconditional promises to give, net	2,229,520	2,047,497
Cash surrender value of life insurance policies	214,736	192,107
Assets held under split interest agreements	14,197	15,426
Investments	5,585,972	11,100,380
Accounts payable	(16,327)	(11,448)
Total subject to expenditure for specified purpose:	12,636,361	18,901,795
Endowments (perpetual in nature and purpose restrictions):		
Cash	6,598	31,613
Assets held under split interest agreements	94,337	115,148
Unconditional promises to give, net	1,086,449	813,110
Investments	26,241,136	25,215,942
Total endowments:	27,428,520	26,175,813
Total net assets with donor restrictions:	\$ 40,064,881	\$ 45,077,608

NOTE 12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2022 and 2021 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

	2022	2021
Chair and professorship	\$ 55,235	\$ 55,306
Program support	917,688	635,121
Scholarship	1,210,368	1,120,664
Other University support	1,145,580	2,212,881
	\$ 3,328,871	\$ 4,023,972

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. At June 30, 2022, funds with original gift values of \$3,216,798, fair values of \$3,048,007 and deficiencies of \$168,791 were reporting 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 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 2021 and 2022 academic school years. The Foundation'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 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 36-month trailing average of the fair market value of the endowment investments.

The Endowment Net Asset Composition by type of Fund as of June 30, 2022 and 2021 is as follows:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total
June 30, 2022			
Board-designated endowment funds	\$ 4,340,695	\$ -	\$ 4,340,695
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	26,409,927	26,409,927
Accumulated investment gains	-	5,580,821	5,580,821
Endowment net assets, end of year	<u>\$ 4,340,695</u>	<u>\$ 31,990,748</u>	<u>\$ 36,331,443</u>
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>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. ENDOWMENT (Continued)

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

	Quasi- Endowment <i>(Without Donor Restrictions)</i>	Endowment <i>(With Donor Restrictions)</i>	Total
Endowment net assets, beginning of year	\$ 4,570,747	\$ 36,501,612	\$ 41,072,359
Investment return:			
Investment income, net of investment fees	52,746	75,236	127,982
Realized and unrealized net (losses)	(647,432)	(4,778,054)	(5,425,486)
Total investment return	(594,686)	(4,702,818)	(5,297,504)
Contributions	-	1,189,303	1,189,303
Transfers	496,554	(23,784)	472,770
Change in donor intent	-	(134,615)	(134,615)
Appropriation of endowment assets for expenditure	(131,920)	(838,950)	(970,870)
Endowment net assets, end of year	<u>\$ 4,340,695</u>	<u>\$ 31,990,748</u>	<u>\$ 36,331,443</u>

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 (losses), 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>

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, 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 at June 30, 2021. During the year ending June 30, 2022, the Foundation moved the funds out of those two financial institutions. 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. IN-KIND CONTRIBUTIONS

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

	2022	2021
Supplies	\$ 116,342	\$ 162,894
Equipment	162,551	60,530
Household goods	400	15,850
Gift certificates	590	-
Food	1,589	-
Services	1,149,017	1,287,971
Rent	47,365	47,365
Clothing	1,580	-
	\$ 1,479,434	\$ 1,574,610

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. For the years ended June 30, 2022 and 2021, \$1,274,081 and \$1,265,549, respectively, included in the total above were amounts paid by the University on behalf of the Foundation.

Contributed equipment and food were used in program support. For the year ending June 30, 2021, \$41,535 of equipment was restricted for use in the economics department. 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events occurring through September 2, 2022, 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, 2022**

	University of West Georgia Foundation, Inc.	UWG Housing, LLC	Eliminations	Total
ASSETS				
Cash and cash equivalents				
Operating	\$ 3,195,030	\$ -	\$ -	\$ 3,195,030
Money market deposits	3,722,389	-	-	3,722,389
Agency fund assets	747,034	-	-	747,034
Prepaid expenses	11,247	-	-	11,247
Unconditional promises to give, net	3,316,781	-	-	3,316,781
Accrued interest receivable	1,646	-	-	1,646
Accounts receivable - related party	-	20,510	20,510	-
Net investments in direct financing leases	-	32,451,052	-	32,451,052
Investments	35,334,536	-	-	35,334,536
Investments in real estate	235,000	-	-	235,000
Assets held under split interest agreements	144,886	-	-	144,886
Cash surrender value of life insurance policy	219,404	-	-	219,404
Property and equipment, net	65,838	51,833	-	117,671
Assets limited as to use	-	6,644,265	-	6,644,265
	<u>\$ 46,993,791</u>	<u>\$ 39,167,660</u>	<u>\$ 20,510</u>	<u>\$ 86,140,941</u>
Total assets	<u>\$ 46,993,791</u>	<u>\$ 39,167,660</u>	<u>\$ 20,510</u>	<u>\$ 86,140,941</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 50,841	\$ 99,799	\$ -	\$ 150,640
Accounts payable - related party	20,510	-	20,510	-
Agency fund payable	747,034	-	-	747,034
Liabilities under split interest agreements	96,420	-	-	96,420
Accrued interest payable	-	756,400	-	756,400
Deferred revenue	6,430	-	-	6,430
Financing lease liability	117,655	-	-	117,655
Bonds payable, net	-	33,476,079	-	33,476,079
	<u>1,038,890</u>	<u>34,332,278</u>	<u>20,510</u>	<u>35,350,658</u>
Total liabilities	<u>1,038,890</u>	<u>34,332,278</u>	<u>20,510</u>	<u>35,350,658</u>
Net assets				
Without donor restrictions				
Undesignated	1,352,377	4,835,382	-	6,187,759
Board designated	4,537,643	-	-	4,537,643
	<u>5,890,020</u>	<u>4,835,382</u>	<u>-</u>	<u>10,725,402</u>
Total without donor restrictions	<u>5,890,020</u>	<u>4,835,382</u>	<u>-</u>	<u>10,725,402</u>
With donor restrictions	<u>40,064,881</u>	<u>-</u>	<u>-</u>	<u>40,064,881</u>
Total net assets	<u>45,954,901</u>	<u>4,835,382</u>	<u>-</u>	<u>50,790,283</u>
Total liabilities and net assets	<u>\$ 46,993,791</u>	<u>\$ 39,167,660</u>	<u>\$ 20,510</u>	<u>\$ 86,140,941</u>

See Note to Supplemental Information.

**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 ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	University of West Georgia Foundation, Inc.	UWG Housing, LLC	Eliminations	Total
REVENUES AND OTHER SUPPORT				
Contributions and special events	\$ 4,635,622	\$ -	\$ -	\$ 4,635,622
In-kind contributions	1,479,434	-	-	1,479,434
Investment income, net of investment fees	101,270	1,561	(358,790)	461,621
Net realized and unrealized losses on investments	(5,400,831)	-	-	(5,400,831)
Unrealized loss on investment in real estate	(165,000)	-	-	(165,000)
Administrative fees	367,688	-	358,790	8,898
Leasing income:				
Rental revenue	-	450,193	-	450,193
Interest income on direct financing leases	-	1,395,073	-	1,395,073
Other income	-	30,510	-	30,510
Total leasing income	-	1,875,776	-	1,875,776
Total revenues and other support	<u>1,018,183</u>	<u>1,877,337</u>	<u>-</u>	<u>2,895,520</u>
EXPENSES				
Program services				
Academic and education	1,556,488	-	-	1,556,488
Other program support	2,862,712	-	-	2,862,712
Campus facilities:				
Insurance	-	61,157	-	61,157
Interest expense	-	929,359	-	929,359
Professional fees	-	11,931	-	11,931
Contribution expense of facility projects to the University	-	228,028	-	228,028
Total campus facilities	-	1,230,475	-	1,230,475
Total program services	<u>4,419,200</u>	<u>1,230,475</u>	<u>-</u>	<u>5,649,675</u>
Supporting services				
Administration and general	547,367	-	-	547,367
Fundraising	700,797	-	-	700,797
Total supporting services	<u>1,248,164</u>	<u>-</u>	<u>-</u>	<u>1,248,164</u>
Total expenses	<u>5,667,364</u>	<u>1,230,475</u>	<u>-</u>	<u>6,897,839</u>
CHANGE IN NET ASSETS	<u>(4,649,181)</u>	<u>646,862</u>	<u>-</u>	<u>(4,002,319)</u>
NET ASSETS, BEGINNING	<u>50,504,082</u>	<u>4,288,520</u>	<u>-</u>	<u>54,792,602</u>
TRANSFERS	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 45,954,901</u>	<u>\$ 4,835,382</u>	<u>\$ -</u>	<u>\$ 50,790,283</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	\$ 2,138,511	\$ -	\$ -	\$ 2,138,511
In-kind contributions	1,574,610	-	-	1,574,610
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
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
NOTE TO SUPPLEMENTAL INFORMATION

NOTE 1. CONSOLIDATING FINANCIAL STATEMENTS

For the years ended June 30, 2022 and 2021, 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, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents		
Operating	\$ 3,195,030	\$ 2,935,135
Money market deposits	3,722,389	3,890,326
Agency fund assets	747,034	861,423
Prepaid expenses	11,247	64,287
Unconditional promises to give, net	3,316,781	2,863,282
Accrued interest receivable	1,646	134
Investments	35,334,536	40,171,572
Investments in real estate	235,000	400,000
Assets held under split interest agreements	144,886	176,509
Cash surrender value of life insurance policy	219,404	197,087
Property and equipment, net	65,838	131,676
 Total assets	 \$ 46,993,791	 \$ 51,691,431
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 50,841	\$ 24,585
Accounts payable - related party	20,510	1,500
Agency fund payable	747,034	861,423
Deferred revenue	6,430	1,000
Liabilities under split interest agreements	96,420	125,064
Financing lease liability	117,655	173,777
 Total liabilities	 1,038,890	 1,187,349
 Net assets		
Without donor restrictions		
Undesignated	1,352,377	584,028
Board designated	4,537,643	4,842,446
 Total without donor restrictions	 5,890,020	 5,426,474
 With donor restrictions	 40,064,881	 45,077,608
 Total net assets	 45,954,901	 50,504,082
 Total liabilities and net assets	 \$ 46,993,791	 \$ 51,691,431

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 1,438,796	\$ 3,196,826	\$ 4,635,622
In-kind contributions	1,479,434	-	1,479,434
Investment income, net of investment fees	24,129	77,141	101,270
Net realized and unrealized losses on investments	(623,126)	(4,777,705)	(5,400,831)
Unrealized loss on investment in real estate	-	(165,000)	(165,000)
Administrative fees	367,688	-	367,688
	<u>2,686,921</u>	<u>(1,668,738)</u>	<u>1,018,183</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>3,328,871</u>	<u>(3,328,871)</u>	<u>-</u>
Total revenues and other support	<u>6,015,792</u>	<u>(4,997,609)</u>	<u>1,018,183</u>
EXPENSES			
Program services			
Academic and education	1,556,488	-	1,556,488
Other program support	2,862,712	-	2,862,712
Total program services	<u>4,419,200</u>	<u>-</u>	<u>4,419,200</u>
Supporting services			
Administration and general	547,367	-	547,367
Fundraising	700,797	-	700,797
Total supporting services	<u>1,248,164</u>	<u>-</u>	<u>1,248,164</u>
Total expenses	<u>5,667,364</u>	<u>-</u>	<u>5,667,364</u>
CHANGE IN NET ASSETS	<u>348,428</u>	<u>(4,997,609)</u>	<u>(4,649,181)</u>
NET ASSETS, BEGINNING	<u>5,426,474</u>	<u>45,077,608</u>	<u>50,504,082</u>
TRANSFERS	<u>100,000</u>	<u>-</u>	<u>100,000</u>
CHANGE IN DONOR INTENT	<u>15,118</u>	<u>(15,118)</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 5,890,020</u>	<u>\$ 40,064,881</u>	<u>\$ 45,954,901</u>

UNIVERSITY OF WEST GEORGIA FOUNDATION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ -	\$ 2,138,511	\$ 2,138,511
In-kind contributions	1,533,075	41,535	1,574,610
Investment income (loss), 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
Administrative fees	357,559	-	357,559
	2,551,571	9,693,210	12,244,781
Net assets released from restrictions:			
Satisfaction of program restrictions	4,023,972	(4,023,972)	-
Total revenues and other support	6,575,543	5,669,238	12,244,781
EXPENSES			
Program services			
Academic and education	1,421,277	-	1,421,277
Other program support	1,539,855	-	1,539,855
Total program services	2,961,132	-	2,961,132
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	4,550,860	-	4,550,860
CHANGE IN NET ASSETS	2,024,683	5,669,238	7,693,921
NET ASSETS, BEGINNING	3,442,848	39,451,895	42,894,743
TRANSFERS	(84,582)	-	(84,582)
CHANGE IN DONOR INTENT	43,525	(43,525)	-
NET ASSETS, ENDING	\$ 5,426,474	\$ 45,077,608	\$ 50,504,082

UWG HOUSING, LLC

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Net investments in direct financing leases	\$ 32,451,052	\$ 34,675,711
Assets limited as to use	6,644,265	6,322,266
Accounts receivable - related party	20,510	-
Property and equipment, net	<u>51,833</u>	<u>78,603</u>
Total assets	<u>\$ 39,167,660</u>	<u>\$ 41,076,580</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 99,799	\$ 81,014
Accrued interest payable	756,400	802,526
Bonds payable, net	<u>33,476,079</u>	<u>35,904,520</u>
Total liabilities	<u>34,332,278</u>	<u>36,788,060</u>
Net Assets		
Without donor restrictions	<u>4,835,382</u>	<u>4,288,520</u>
Total liabilities and net assets	<u>\$ 39,167,660</u>	<u>\$ 41,076,580</u>

UWG HOUSING, LLC

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Without donor restrictions	Without donor restrictions
	2022	2021
REVENUES AND OTHER SUPPORT		
Investment income	\$ 1,561	\$ 549
Leasing income:		
Rental revenue	450,193	437,080
Interest income on direct financing leases	1,395,073	1,495,832
Other income	30,510	46,715
Total leasing income	1,875,776	1,979,627
Total revenues and other support	1,877,337	1,980,176
EXPENSES		
Program services		
Campus facilities:		
Insurance	61,157	61,148
Interest expense	929,359	981,676
Professional fees	11,931	11,930
Contribution expense of facility projects to the University	228,028	214,962
Other operating expenses	-	2,501
Total campus facilities	1,230,475	1,272,217
Total program services	1,230,475	1,272,217
Total expenses	1,230,475	1,272,217
CHANGE IN NET ASSETS	646,862	707,959
NET ASSETS, BEGINNING	4,288,520	3,495,979
TRANSFERS	(100,000)	84,582
NET ASSETS, ENDING	\$ 4,835,382	\$ 4,288,520