

**GEORGIA SOUTHERN UNIVERSITY  
FOUNDATION, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

# GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES

## CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees  
Georgia Southern University Foundation, Inc. and Subsidiaries  
Statesboro, Georgia**

We have audited the accompanying consolidated financial statements of **Georgia Southern University Foundation, Inc.** (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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 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 Georgia Southern University Foundation, Inc. and Subsidiaries as of June 30, 2020 and 2019, 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 Consolidating Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities shown on pages 23 through 26 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating 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 consolidating information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
September 10, 2020

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
Cash	\$ 386,817	\$ 99,859
Investments	81,011,060	68,122,876
Beneficial interest in irrevocable trust	2,158,814	2,115,249
Accrued interest receivable	15,146	11,314
Contributions receivable, net	3,950,459	3,232,015
Other receivable	25,000	25,000
Accounts receivable - related party	432	-
Cash value of insurance on lives of donors	152,734	147,584
Land	890,860	890,860
Buildings, net of accumulated depreciation of \$269,056 for 2020 and \$227,841 for 2019	684,893	726,108
Total assets	\$ 89,276,215	\$ 75,370,865
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 30,580	\$ 57,622
Accounts payable - related party	216,494	94,384
Gift annuities payable	77,780	78,062
Total liabilities	324,854	230,068
<b>Net Assets</b>		
Without donor restrictions	5,429,010	5,724,480
With donor restrictions	83,522,351	69,416,317
Total net assets	88,951,361	75,140,797
<b>Total Liabilities and Net Assets</b>	<b>\$ 89,276,215</b>	<b>\$ 75,370,865</b>

**See Notes to Consolidated Financial Statements.**

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUES</b>			
Contributions, net	\$ 142,891	\$ 3,701,938	\$ 3,844,829
Contributed services and materials	-	2,622,018	2,622,018
Contributed salaries and benefits by			
Georgia Southern University	3,097,517	-	3,097,517
Interest and dividends, net of investment fees	423,931	1,540,468	1,964,399
Net realized and unrealized (losses) on investments	(526,418)	(1,977,192)	(2,503,610)
Other revenue	94,311	262,311	356,622
Net assets released from restrictions:			
Satisfaction of restrictions for University support	3,664,781	(3,664,781)	-
Satisfaction of restrictions to pay administrative fees	724,212	(724,212)	-
Satisfaction of restrictions for awards and scholarships	2,584,338	(2,584,338)	-
Total support and revenues	10,205,563	(823,788)	9,381,775
<b>EXPENSES</b>			
<b>Program services</b>			
Student support	3,120,756	-	3,120,756
University support	4,722,775	-	4,722,775
Total program services	7,843,531	-	7,843,531
<b>Supporting services</b>			
Management and general	1,322,261	-	1,322,261
Fundraising	2,753,996	-	2,753,996
Total supporting services	4,076,257	-	4,076,257
Total expenses	11,919,788	-	11,919,788
<b>Excess of assets acquired over liabilities assumed in acquisition of Armstrong Foundation</b>	632,994	15,715,583	16,348,577
<b>CHANGE IN NET ASSETS</b>	(1,081,231)	14,891,795	13,810,564
<b>NET ASSETS, BEGINNING OF YEAR</b>	5,724,480	69,416,317	75,140,797
<b>Change in donor intent</b>	785,761	(785,761)	-
<b>NET ASSETS, END OF YEAR</b>	\$ 5,429,010	\$ 83,522,351	\$ 88,951,361

**See Notes to Consolidated Financial Statements.**

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUES</b>			
Contributions, net	\$ 269,243	\$ 9,629,535	\$ 9,898,778
Contributed services and materials	6,564	502,217	508,781
Contributed salaries and benefits by			
Georgia Southern University	3,078,739	-	3,078,739
Interest and dividends, net of investment fees	350,156	1,322,367	1,672,523
Net realized and unrealized gains on investments	84,107	498,600	582,707
Other revenue	102,769	523,711	626,480
Net assets released from restrictions:			
Satisfaction of restrictions for University support	2,389,968	(2,389,968)	-
Satisfaction of restrictions to pay administrative fees	559,505	(559,505)	-
Satisfaction of restrictions for awards and scholarships	2,130,656	(2,130,656)	-
Total support and revenues	8,971,707	7,396,301	16,368,008
<b>EXPENSES</b>			
<b>Program services</b>			
Student support	2,395,260	-	2,395,260
University support	2,808,392	-	2,808,392
Total program services	5,203,652	-	5,203,652
<b>Supporting services</b>			
Management and general	1,302,763	-	1,302,763
Fundraising	2,693,682	-	2,693,682
Total supporting services	3,996,445	-	3,996,445
Total expenses	9,200,097	-	9,200,097
<b>CHANGE IN NET ASSETS</b>	(228,390)	7,396,301	7,167,911
<b>NET ASSETS, BEGINNING OF YEAR</b>	5,713,074	62,259,812	67,972,886
<b>Change in donor intent</b>	239,796	(239,796)	-
<b>NET ASSETS, END OF YEAR</b>	\$ 5,724,480	\$ 69,416,317	\$ 75,140,797

**See Notes to Consolidated Financial Statements.**

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

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

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Student Support</u>	<u>University Support</u>	<u>Total Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	
Scholarships	\$ 3,116,761	\$ -	\$ 3,116,761	\$ -	\$ -	\$ 3,116,761
Other student support	3,995	-	3,995	-	-	3,995
Salaries and wages	-	-	-	1,084,131	2,013,386	3,097,517
Other personnel costs	-	695,445	695,445	30,200	13,450	739,095
Facilities and maintenance	-	473,324	473,324	-	1,133	474,457
Professional fees and services	-	63,564	63,564	147,459	106,490	317,513
Cultivation and promotion	-	203,058	203,058	9,243	347,920	560,221
Conferences and travel	-	299,312	299,312	7,990	110,619	417,921
Supplies and equipment	-	2,918,207	2,918,207	17,325	160,572	3,096,104
Interest	-	5,882	5,882	-	-	5,882
Insurance	-	20,374	20,374	14,176	-	34,550
Depreciation	-	41,215	41,215	-	-	41,215
Other	-	2,394	2,394	11,737	426	14,557
	<u>\$ 3,120,756</u>	<u>\$ 4,722,775</u>	<u>\$ 7,843,531</u>	<u>\$ 1,322,261</u>	<u>\$ 2,753,996</u>	<u>\$ 11,919,788</u>

See Notes to Consolidated Financial Statements.



**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Student Support</u>	<u>University Support</u>	<u>Total Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	
Scholarships	\$ 2,377,364	\$ -	\$ 2,377,364	\$ -	\$ -	\$ 2,377,364
Other student support	17,896	-	17,896	-	-	17,896
Salaries and wages	-	-	-	1,077,559	2,001,180	3,078,739
Other personnel costs	-	675,720	675,720	15,200	17,269	708,189
Facilities and maintenance	-	248,014	248,014	-	1,280	249,294
Professional fees and services	-	182,873	182,873	113,313	42,050	338,236
Cultivation and promotion	-	349,544	349,544	7,923	331,594	689,061
Conferences and travel	-	439,354	439,354	12,949	75,330	527,633
Supplies and equipment	-	856,744	856,744	1,262	224,684	1,082,690
Interest	-	2,066	2,066	-	-	2,066
Insurance	-	14,066	14,066	11,012	40	25,118
Depreciation	-	38,971	38,971	-	-	38,971
Other	-	1,040	1,040	63,545	255	64,840
	<u>\$ 2,395,260</u>	<u>\$ 2,808,392</u>	<u>\$ 5,203,652</u>	<u>\$ 1,302,763</u>	<u>\$ 2,693,682</u>	<u>\$ 9,200,097</u>

See Notes to Consolidated Financial Statements.

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 13,810,564	\$ 7,167,911
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Excess of assets acquired over liabilities assumed in acquisition of Armstrong Foundation	(16,348,577)	-
Depreciation	41,215	38,971
Net unrealized and realized losses (gains) on investments	2,503,610	(582,707)
Contributions restricted for endowments	(805,106)	(6,390,932)
Bad debt write-offs	67,882	14,078
Allowance for bad debts	67,906	260,681
Discount on multi-year promises to give	(205,417)	401,485
(Increase) decrease in:		
Accrued interest receivable	(3,832)	1,091
Contributions receivable	147,644	(2,302,131)
Accounts receivable - related party	(432)	-
Cash value of insurance on lives of donors	(5,150)	(5,875)
Beneficial interest in irrevocable trust	(43,565)	(34,523)
Increase (decrease) in:		
Accounts payable	(79,472)	(191,812)
Accounts payable - related party	119,650	59,333
Gift annuities payable	(282)	(15,474)
Net cash (used in) operating activities	(733,362)	(1,579,904)
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	13,650,557	14,403,612
Purchases of investments	(13,904,390)	(19,411,913)
Purchases of property and equipment	-	(101,257)
Net cash received in acquisition of Armstrong Foundation	469,047	-
Net cash provided by (used in) investing activities	215,214	(5,109,558)
<b>FINANCING ACTIVITIES</b>		
Contributions restricted for endowments	805,106	6,390,932
Net cash provided by financing activities	805,106	6,390,932
<b>NET INCREASE (DECREASE) IN CASH</b>	286,958	(298,530)
<b>CASH, BEGINNING OF YEAR</b>	99,859	398,389
<b>CASH, END OF YEAR</b>	\$ 386,817	\$ 99,859
<b>ACQUISITION OF NONPROFIT ORGANIZATION</b>		
Net assets acquired (liabilities assumed)		
Contributions receivable, net	\$ 796,459	\$ -
Investments	15,137,961	-
Accounts payable	(52,430)	-
Accounts payable - related party	(2,460)	-
	15,879,530	-
Net cash received from acquired nonprofit organization	469,047	-
	\$ 16,348,577	\$ -

**See Notes to Consolidated Financial Statements.**

# GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Organization

Georgia Southern University Foundation, Inc. (the “Foundation”) is an independent nonprofit organization whose purpose is to promote academic programs for Georgia Southern University (the “University”). The Foundation is supported primarily through contributions from individuals, corporations, and other nonprofit foundations. The facilities occupied and many of the resources available to the Foundation are owned or provided for by the University. Also, all Foundation employees are paid by the University. The value of these contributions is reflected in these financial statements.

#### Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of Georgia Southern University Foundation, Inc. and its four wholly-owned subsidiaries, Georgia Southern University Foundation Real Estate, LLC, Georgia Southern University Foundation Real Estate Holdings, LLC, Georgia Southern University Foundation Botanical Gardens Real Estate, LLC, and Georgia Southern University Foundation Guyton Real Estate, LLC. All significant intra-organization transactions and balances have been eliminated in consolidation.

During the year ended June 30, 2015, the Foundation formed the first three separate LLCs mentioned above with the intent for each to hold real estate assets. During the year ended June 30, 2016, the net assets of the Foundation related to all real estate assets was transferred to each LLC. During the year ended June 30, 2017, Georgia Southern University Foundation Guyton Real Estate, LLC was formed with the intent for the entity to hold real estate gifted by a donor.

Effective July 1, 2019, the Armstrong Foundation of Georgia Southern University, Inc. merged with the Georgia Southern University Foundation, Inc. The Georgia Southern University Foundation, Inc. was the surviving entity of this merger and all assets and liabilities were transferred to the Georgia Southern University Foundation, Inc.

#### Contributions

Contributions received are recorded as with or without donor restriction support depending on the existence and/or nature of any donor restrictions. Net assets with donor restriction are reclassified to net assets without donor restriction upon satisfaction of the time or purpose restrictions.

Contributions receivable due in the next year are recorded at their net realizable value. Contributions receivable due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the contribution promises to give are received to discount the amounts.

An allowance for uncollectible contributions receivable is provided based on management’s evaluation of potential uncollectible contributions receivable at year-end.

Endowment contributions and investments are restricted by the donor to be held in perpetuity. Investment earnings on endowments available for awards, scholarships, and other University support are recorded in net assets with donor restriction until used as stipulated by the donor. When the restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contributed Services and Materials

Contributed services and materials are reflected in the financial statements at the fair value of the services or materials received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

#### Use of Estimates

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

#### Investments

Investments are reported at fair value based on the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). Level I investments are investments for which fair value is derived from quoted prices in active markets for identical assets the Foundation has the ability to access at the measurement date. Level II investments are investments for which fair value is derived from other than quoted prices in Level I that are observable for the asset, either directly or indirectly. Level III investments are investments for which fair value is derived from significant unobservable inputs.

All investments in debt and equity securities with a readily determinable market value are reported at fair value with gains and losses included in the statements of activities based on quoted prices in active markets. Alternative investments, which are not readily marketable, are carried at estimated fair values based on information provided by external investment managers and financial information provided by the respective partnership or limited liability company investments. The estimated fair values may differ significantly from the values that would have been used had readily available markets for these securities existed.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated in the values of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's financial statements.

#### Administrative Fees

Administrative fees are utilized to assist with development activities and provide additional funds to the University. The fees include 1% of the fair value of the endowments annually and 5% on non-endowed receipts.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Split – Interest Agreement

During the year ended June 30, 2017, the Foundation was named a beneficiary to a charitable remainder trust. The Foundation receives the contributed amounts upon the execution of the agreement and is entitled to 50% of the assets in the trust. Changes in the recorded assets due to changes in market value of assets held in the trust are reflected as unrealized and realized gains and losses in the accompanying statements of activities. The terms of the trust state that the Foundation will receive the greater of one-half of (1) an amount equal to all net income of the trust for the preceding calendar year, (2) an amount equal to 4% of the average of the sum of the net fair market value of all publicly traded securities that are held by the trust on December 31 of the three immediately preceding years, or (3) the amount necessary to maintain its status as a supporting organization.

#### Land and Buildings

Land and buildings are recorded at cost if purchased and at fair market value if received as a contribution. The building is being depreciated using the straight-line method over thirty years. Depreciation expense included in University support for the years ended June 30, 2020 and 2019 was \$41,215 and \$38,971, respectively. The land and building are restricted for the following uses:

	<u>2020</u>	<u>2019</u>
Botanical gardens	\$ 972,753	\$ 1,013,968
Biological sciences	603,000	603,000
	<u>\$ 1,575,753</u>	<u>\$ 1,616,968</u>

#### Cash Equivalents Policy

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

#### Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

#### Change in Donor Intent

At times, the Foundation receives requests by donors or their designees to change the use for which the donor's original gift was intended. These donor requests are reviewed by the Foundation for approval, and if approved, may result in the reclassification of net assets between with and without donor restriction net assets.

#### Concentration of Credit Risk

The Foundation maintains an operating cash account balance at a commercial bank which, at times, may exceed federally insured limits.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Functional Allocation of Expenses

The Foundation reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, other personnel costs, professional fees and services, cultivation and promotion, conferences and travel, supplies, insurance, and other expenses include certain expenses that are allocated on the basis of estimates of time and effort. Facilities and maintenance and other expenses include certain expenses that are allocated on a square footage basis.

#### Recent Accounting Pronouncements

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC Topic 606), which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This ASU requires entities to make new judgements and estimates and provide expanded disclosures about revenue.

For the year ending June 30, 2020, the Foundation adopted ASU 2014-09 and has adjusted the presentation in these financial statements accordingly. The Foundation recognizes administrative fees in accordance with ASC 606, which relates to administrative services it performs on the Foundation's endowment portfolio, are earned over the course of a month representing the period over which the Foundation satisfies the performance obligation.

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and establishes standards for characterizing grants and similar contracts with resource providers as contributions (nonreciprocal) subject to ASC Topic 958, or as exchange transactions (reciprocal) subject to ASC Topic 606.

For the year ending June 30, 2020, the Foundation adopted ASU 2018-08 and has adjusted the presentation in these financial statements accordingly. The Foundation recognizes contributions in the accompanying statements of activities in accordance with ASC Topic 958. The adoption of ASU 2018-08 did not have an impact on the timing of revenue recognition of contributions.

### NOTE 2. LIQUIDITY AND AVAILABILITY

The Foundation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Foundation are expected to be met on a monthly basis from contributions received without donor restriction, investment income to be used for operating purposes, and annual endowment distributions and appropriations available for general expenditure.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2. LIQUIDITY AND AVAILABILITY (Continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position as of June 30, 2020 and 2019, comprise the following:

	2020	2019
Cash	\$ 386,817	\$ 99,859
Investments	4,272,195	4,704,872
Accrued interest receivable	15,146	11,314
Contributions receivable, net	15,746	7,336
Other receivable	25,000	25,000
Endowment spending rate distributions and appropriations	671,205	563,237
	\$ 5,386,109	\$ 5,411,618

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

### NOTE 3. INVESTMENTS

Investments are reported at fair value and are summarized as follows at June 30, 2020 and 2019:

	2020	2019
Money market funds	\$ 703,378	\$ 259,430
Mutual funds	1,507,606	-
Equity funds	26,747,193	19,265,234
Fixed income funds	14,206,560	11,551,296
Partnership funds and private equity	28,294,854	28,342,923
Hedging investments	9,551,469	8,703,993
	\$ 81,011,060	\$ 68,122,876

The following table summarizes the fair value measurements of certain investments that calculate net asset value per share (or its equivalent) as of June 30, 2020. The classifications stated above are for fair value purposes and the private equity or partnership funds stated below may be classified separately above:

Description	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Private equity (a)	\$ 11,543,530	\$ 295,816	Quarterly, Annually, Triennially	45, 90, 95 days
Partnership funds (b)	\$ 15,738,174	\$ 8,562,506		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. INVESTMENTS (Continued)

The following table summarizes the fair value measurements of certain investments that calculate net asset value per share (or its equivalent) as of June 30, 2019. The classifications stated above are for fair value purposes and the private equity or partnership funds stated below may be classified separately above:

<u>Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Private equity (a)	\$ 11,599,680	\$ 295,816	Quarterly, Annually, Triennially	45, 90, 95 days
Partnership funds (b)	\$ 15,177,165	\$ 8,698,811		

- a) Private equity - multi-strategy hedge funds are private offerings and, as such, are not registered under the Securities Act. Investment activities are typically limited only by the contracts governing the particular fund. Managers invest in a wide variety of financial instruments with an orientation towards seeking primarily absolute returns with marketable securities. Funds use a wide variety of investment styles and implement complex investment strategies such as short selling, applying fund leverage, or entering into derivative contracts.
- b) Private capital refers to securities acquired in privately negotiated transactions. There are various types of private capital strategies: Venture Capital - privately negotiated investments in development stage companies. Private Equity - privately negotiated investments in established companies. Mezzanine - subordinated debt often with equity warrants. Distressed - unsecured high yield debt and/or public equity. Special Situations - various, including infrastructure and single-sector funds. Private Real Estate Partnerships - acquire and administer land or developed property, including residential, office, industrial, and retail properties.

The Foundation's investment and other assets recorded at fair value have been categorized based upon a fair value hierarchy (see Note 1). The following tables summarize the valuation of the Foundation's investments and other assets measured at fair value as of June 30, 2020 and 2019:



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. INVESTMENTS (Continued)

Fair value measurements at June 30, 2020:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Money market funds	\$ 703,378	\$ -	\$ -	\$ 703,378
Mutual funds	1,507,606	-	-	1,507,606
Equity funds	26,747,193	-	-	26,747,193
Fixed income funds	8,333,665	5,872,895	-	14,206,560
Partnership funds & private equity:				
U.S. equity funds	-	968,150	2,021,083	2,989,233
International equity funds	-	11,289,071	6,922,073	18,211,144
Real estate funds	-	-	1,497,735	1,497,735
Energy funds	-	-	734,761	734,761
Blended funds	-	-	4,861,981	4,861,981
Total partnership funds & private equity	-	12,257,221	16,037,633	28,294,854
Beneficial interest in irrevocable trust	1,653,288	505,526	-	2,158,814
Hedging investments	-	-	9,551,469	9,551,469
	<u>\$ 38,945,130</u>	<u>\$ 18,635,642</u>	<u>\$ 25,589,102</u>	<u>\$ 83,169,874</u>

The following summarizes the activities in the Level 3 category of investments for the year ended June 30, 2020:

<u>Description</u>	<u>Beginning Balance</u>	<u>Realized and Unrealized Gains (Losses)</u>	<u>Purchases and Sales</u>	<u>Ending Balance</u>
Partnership funds & private equity	\$ 15,490,466	\$ 555,570	\$ (8,403)	\$ 16,037,633
Hedging investments	8,703,993	(923,219)	1,770,695	9,551,469
	<u>\$ 24,194,459</u>	<u>\$ (367,649)</u>	<u>\$ 1,762,292</u>	<u>\$ 25,589,102</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3. INVESTMENTS (Continued)

Fair value measurements at June 30, 2019:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Money market funds	\$ 259,430	\$ -	\$ -	\$ 259,430
Equity funds	19,265,234	-	-	19,265,234
Fixed income funds	11,248,540	302,756	-	11,551,296
Partnership funds & private equity:				
U.S. equity funds	-	1,566,078	1,973,418	3,539,496
International equity funds	-	11,286,379	7,921,529	19,207,908
Real estate funds	-	-	1,430,111	1,430,111
Energy funds	-	-	893,869	893,869
Blended funds	-	-	3,271,539	3,271,539
Total partnership funds & private equity	-	12,852,457	15,490,466	28,342,923
Beneficial interest in irrevocable trust	1,468,702	646,547	-	2,115,249
Hedging investments	-	-	8,703,993	8,703,993
	<u>\$ 32,241,906</u>	<u>\$ 13,801,760</u>	<u>\$ 24,194,459</u>	<u>\$ 70,238,125</u>

The following summarizes the activities in the Level 3 category of investments for the year ended June 30, 2019:

<u>Description</u>	<u>Beginning Balance</u>	<u>Realized and Unrealized Gains (Losses)</u>	<u>Purchases and Sales</u>	<u>Ending Balance</u>
Partnership funds & private equity	\$ 6,637,257	\$ 1,082,607	\$ 7,770,602	\$ 15,490,466
Hedging investments	14,068,468	(431,197)	(4,933,278)	8,703,993
	<u>\$ 20,705,725</u>	<u>\$ 651,410</u>	<u>\$ 2,837,324</u>	<u>\$ 24,194,459</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2020 and 2019 are as follows:

	2020	2019
Receivable in less than one year	\$ 1,907,005	\$ 974,798
Receivable in one to five years	2,727,145	3,013,103
Receivable in more than five years	-	12,275
Total contributions receivable	4,634,150	4,000,176
Less discounts to net present value	(266,562)	(422,981)
Less allowance for uncollectibles	(417,129)	(345,180)
Net contributions receivable	\$ 3,950,459	\$ 3,232,015

At June 30, 2020 and 2019, the discount rate used was 3.25 and 4 percent as a risk-free interest rate, respectively.

### NOTE 5. CONTRIBUTED SERVICES AND MATERIALS

Contributed services and materials were used for the following purposes for the years ended June 30, 2020 and 2019:

	2020	2019
University support and operational costs	\$ 2,622,018	\$ 507,275
Fundraising and advancement	-	1,506
	\$ 2,622,018	\$ 508,781

### NOTE 6. CASH VALUE OF INSURANCE ON LIVES OF DONORS

The Foundation has a program of encouraging donors to purchase life insurance policies naming the Foundation as the owner and beneficiary. At both June 30, 2020 and 2019, the death benefits of these policies totaled \$622,561. The increase or decrease in cash values of such policies is recognized as income each year. The cash value of the policies is \$152,734 and \$147,584 at June 30, 2020 and 2019, respectively. No recognition is given to the deferred support attributable to death benefits because there is no objective measurement to determine how much will ultimately be collected.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 7. NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2020 and 2019:

	2020	2019
Subject to expenditure for specified purpose:		
Student support	\$ 7,364,220	\$ 6,147,867
University support	24,046,234	20,026,857
Total subject to expenditure for specified purpose:	31,410,454	26,174,724
Perpetual in nature:		
Student support	27,948,722	22,524,264
University support	24,163,175	20,717,329
Total perpetual in nature:	52,111,897	43,241,593
Total net assets with donor restrictions:	\$ 83,522,351	\$ 69,416,317
	2020	2019
Subject to expenditure for specified purpose:		
Investments	\$ 27,368,487	\$ 22,445,019
Beneficial interest in irrevocable trust	2,158,814	2,115,249
Contributions receivable, net	1,193,298	952,962
Cash value of insurance on lives of donors	100,563	100,732
Land	765,500	765,500
Accounts payable	(98,428)	(126,676)
Gift annuities payable	(77,780)	(78,062)
Total subject to expenditure for specified purpose:	31,410,454	26,174,724
Perpetual in nature:		
Investments	49,370,378	40,972,985
Contributions receivable, net	2,741,519	2,268,608
Total perpetual in nature:	52,111,897	43,241,593
Total net assets with donor restrictions:	\$ 83,522,351	\$ 69,416,317

### NOTE 8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows during the years ended June 30, 2020 and 2019:

#### Purpose restrictions accomplished:

	2020	2019
Student support	\$ 2,584,338	\$ 2,130,656
Administrative fees	724,212	559,505
University support	3,664,781	2,389,968
	\$ 6,973,331	\$ 5,080,129

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9. ENDOWMENTS

The Foundation's endowments consist of approximately five hundred twenty individual funds established primarily for scholarships and University support. Its endowments include only donor-restricted endowment funds. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the State of Georgia's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restriction to be held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction to be held in perpetuity is classified as net assets with donor restriction available to be spent until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

#### Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2020 and 2019, funds with original gift values of \$945,636 and \$85,226, fair values of \$921,448 and \$68,258, and deficiencies of \$24,188 and \$16,968 were reported in net assets with donor restrictions, respectively. Deficiencies have resulted from unfavorable market fluctuations that occur shortly after the investment of new donor-restricted contributions to be held in perpetuity and from continued appropriation for certain programs that were committed prior to unfavorable market fluctuations.

#### Return Objectives and Risk Parameters

The investment objective of the Foundation assets (collectively, the "Fund") is to preserve its purchasing power while providing a continuing and stable funding source. Long term, the Fund seeks to generate a total return that will exceed its expenses and the eroding effects of inflation. Over time, the spending rate is anticipated to be in the range of three percent to six percent of the three-year moving average of the market value. Risk is controlled primarily through diversification across and within asset classes. Appropriate liquidity is maintained to fund withdrawals without impairing the investment process.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9. ENDOWMENTS (Continued)

#### Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, a total return strategy is employed that relies on both capital appreciation and current income. The Fund is well diversified within global equities, hedge funds, fixed income, real assets, and private capital.

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

The Foundation has a policy of appropriating for distribution each year 4.25 percent of its endowment fund's average fair value over the three years prior, one year lagging. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of three percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

The Endowment Net Assets Composition by type of Fund at June 30, 2020 and 2019 are as follows:

	<b>Endowment (With Donor Restrictions)</b>
<b>June 30, 2020</b>	
Board-designated endowment funds	\$ -
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	52,111,897
Accumulated investment gains	15,008,595
Endowment net assets, end of year	\$ 67,120,492
 <b>June 30, 2019</b>	
Board-designated endowment funds	\$ -
Donor-restricted endowment funds	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	43,231,501
Accumulated investment gains	13,092,233
Endowment net assets, end of year	\$ 56,323,734

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9. ENDOWMENTS (Continued)

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

	<u>Endowment (With Donor Restrictions)</u>
Endowment net assets, beginning of year	<u>\$ 56,323,734</u>
Investment (loss), net	(451,357)
Contributions	705,532
Other revenue	3,589
Administration fees	(610,461)
Appropriation of endowment assets for expenditure	(1,473,948)
Other changes: Transfers	<u>12,623,403</u>
Endowment net assets, end of year	<u><u>\$ 67,120,492</u></u>

The Changes in Endowment Net Assets for the year ended June 30, 2019 are:

	<u>Endowment (With Donor Restrictions)</u>
Endowment net assets, beginning of year	<u>\$ 49,746,616</u>
Investment return, net	1,801,961
Contributions	6,488,517
Other revenue	21,603
Administration fees	(463,495)
Appropriation of endowment assets for expenditure	(1,288,358)
Other changes: Transfers	<u>16,890</u>
Endowment net assets, end of year	<u><u>\$ 56,323,734</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 10. COMMITMENTS AND CONTINGENCIES

The Foundation has future commitments with various limited partnership agreements with investment managers of real assets and private capital funds for the endowment portfolio. Payments under the various partnership agreements are made over a period of years based on specified capital calls by the respective partnerships. The purpose of these agreements is to provide endowments funds and nonprofit organizations the opportunity to invest in private limited partnerships, which in turn, make capital investments primarily in international private equity, buyouts, distressed opportunities, venture capital, real estate, and natural resource investments that are generally not actively traded at the time of the investment with the objective of obtaining long-term growth of capital. Capital calls are drawn from other liquid assets of the endowment investment pool as part of the asset allocation process. As the underlying investments mature over time, the partnerships may receive income from the investments and will eventually sell them to other investors either through private sale or initial public offering. The proceeds received from these transactions will be distributed to the partners. This will happen periodically throughout the remaining life of the partnership until all the underlying investments have been liquidated. Unfunded investment commitments as of June 30, 2020 and 2019 totaled \$8,858,322 and \$8,994,627, respectively.

### NOTE 11. ACQUISITION OF ARMSTRONG FOUNDATION

As described in Note 1, on July 1, 2019, the Foundation acquired the net assets of the Armstrong Foundation. No consideration was exchanged in the transaction. Under FASB's guidance for not-for-profit mergers and acquisitions, the transaction qualified as an acquisition of the Armstrong Foundation by the Foundation. Therefore, the fair values of the assets acquired and the liabilities assumed were recorded as of July, 2019 and the excess of the assets over the liabilities of \$16,348,577 was recorded as non-operating revenue in the accompanying consolidated statement of activities for the year ending June 30, 2020.

### NOTE 12. 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.

### NOTE 13. SUBSEQUENT EVENTS

Management has evaluated events occurring through September 10, 2020, the date on which the financial statements were available to be issued.

On August 5, 2020, the Foundation committed to provide gap funding guarantees of up to \$750,000 for the fall 2020 semester.



**SUPPLEMENTAL INFORMATION**

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

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

	Georgia Southern University Foundation, Inc.	GSUF Real Estate, LLC	GSUF Real Estate Holdings, LLC	GSUF Botanical Gardens Real Estate, LLC	GSUF Guyton Real Estate, LLC	Eliminations	Totals
<b>ASSETS</b>							
Cash	\$ 364,874	\$ 933	\$ 398	\$ 17,843	\$ 2,769	\$ -	\$ 386,817
Investments	81,011,060	-	-	-	-	-	81,011,060
Beneficial interest in irrevocable trust	2,158,814	-	-	-	-	-	2,158,814
Accrued interest receivable	15,146	-	-	-	-	-	15,146
Contributions receivable, net	3,950,459	-	-	-	-	-	3,950,459
Other receivable	25,000	-	-	-	-	-	25,000
Accounts receivable - related party	432	-	-	-	-	-	432
Cash value of insurance on lives of donors	152,734	-	-	-	-	-	152,734
Investment in subsidiaries	370,600	-	-	-	-	(370,600)	-
Land	-	-	148,000	247,860	495,000	-	890,860
Buildings, net of accumulated depreciation of \$269,056	-	-	2,221	682,672	-	-	684,893
	<u>\$ 88,049,119</u>	<u>\$ 933</u>	<u>\$ 150,619</u>	<u>\$ 948,375</u>	<u>\$ 497,769</u>	<u>\$ (370,600)</u>	<u>\$ 89,276,215</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities</b>							
Accounts payable	\$ 30,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,580
Accounts payable - related party	216,494	-	-	-	-	-	216,494
Gift annuities payable	77,780	-	-	-	-	-	77,780
Total liabilities	<u>324,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,854</u>
<b>Net Assets</b>							
Without donor restriction	4,967,414	933	42,619	785,875	2,769	(370,600)	5,429,010
With donor restriction	82,756,851	-	108,000	162,500	495,000	-	83,522,351
Total net assets	<u>87,724,265</u>	<u>933</u>	<u>150,619</u>	<u>948,375</u>	<u>497,769</u>	<u>(370,600)</u>	<u>88,951,361</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 88,049,119</u>	<u>\$ 933</u>	<u>\$ 150,619</u>	<u>\$ 948,375</u>	<u>\$ 497,769</u>	<u>\$ (370,600)</u>	<u>\$ 89,276,215</u>

See Note to Supplemental Information.

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2019**

	<b>Georgia Southern University Foundation, Inc.</b>	<b>GSUF Real Estate, LLC</b>	<b>GSUF Real Estate Holdings, LLC</b>	<b>GSUF Botanical Gardens Real Estate, LLC</b>	<b>GSUF Guyton Real Estate, LLC</b>	<b>Eliminations</b>	<b>Totals</b>
<b>ASSETS</b>							
Cash	\$ 67,064	\$ 517	\$ 1,936	\$ 24,847	\$ 5,495	\$ -	\$ 99,859
Investments	68,122,876	-	-	-	-	-	68,122,876
Beneficial interest in irrevocable trust	2,115,249	-	-	-	-	-	2,115,249
Accrued interest receivable	11,314	-	-	-	-	-	11,314
Contributions receivable, net	3,232,015	-	-	-	-	-	3,232,015
Other receivable	25,000	-	-	-	-	-	25,000
Cash value of insurance on lives of donors	147,584	-	-	-	-	-	147,584
Investment in subsidiaries	370,600	-	-	-	-	(370,600)	-
Land	-	-	148,000	247,860	495,000	-	890,860
Buildings, net of accumulated depreciation of \$227,841	-	-	3,888	722,220	-	-	726,108
	<u>-</u>	<u>-</u>	<u>3,888</u>	<u>722,220</u>	<u>-</u>	<u>-</u>	<u>726,108</u>
Total assets	<u>\$ 74,091,702</u>	<u>\$ 517</u>	<u>\$ 153,824</u>	<u>\$ 994,927</u>	<u>\$ 500,495</u>	<u>\$ (370,600)</u>	<u>\$ 75,370,865</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities</b>							
Accounts payable	\$ 56,622	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ 57,622
Accounts payable - related party	94,384	-	-	-	-	-	94,384
Gift annuities payable	78,062	-	-	-	-	-	78,062
Total liabilities	<u>229,068</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>230,068</u>
<b>Net Assets</b>							
Without donor restriction	5,211,817	517	45,824	831,427	5,495	(370,600)	5,724,480
With donor restriction	68,650,817	-	108,000	162,500	495,000	-	69,416,317
Total net assets	<u>73,862,634</u>	<u>517</u>	<u>153,824</u>	<u>993,927</u>	<u>500,495</u>	<u>(370,600)</u>	<u>75,140,797</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 74,091,702</u>	<u>\$ 517</u>	<u>\$ 153,824</u>	<u>\$ 994,927</u>	<u>\$ 500,495</u>	<u>\$ (370,600)</u>	<u>\$ 75,370,865</u>

**See Note to Supplemental Information.**

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

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

	<u>Georgia Southern University Foundation, Inc.</u>		<u>GSUF Real Estate, LLC</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>
<b>SUPPORT AND REVENUES</b>			
Contributions, net	\$ 142,891	\$ 3,701,938	\$ 1,000
Contributed services and materials	-	2,622,018	-
Contributed salaries and benefits by			
Georgia Southern University	3,097,517	-	-
Interest and dividends	423,931	1,540,468	-
Net realized and unrealized (losses) on investments	(526,418)	(1,977,192)	-
Administrative fees	724,212	-	-
Other revenue	94,311	262,311	-
Net assets released from restrictions:			
Satisfaction of restrictions for University support	3,664,781	(3,664,781)	-
Satisfaction of restrictions to pay administrative fees	724,212	(724,212)	-
Satisfaction of restrictions for awards and scholarships	2,584,338	(2,584,338)	-
Total support and revenues	<u>10,929,775</u>	<u>(823,788)</u>	<u>1,000</u>
<b>EXPENSES</b>			
<b>Program services</b>			
Student support	3,120,756	-	-
University support	4,665,385	-	584
Total program services	<u>7,786,141</u>	<u>-</u>	<u>584</u>
<b>Supporting services</b>			
Management and general	1,328,584	-	-
Fundraising	2,753,996	-	-
Administrative fees	724,212	-	-
Total supporting services	<u>4,806,792</u>	<u>-</u>	<u>-</u>
Total expenses	<u>12,592,933</u>	<u>-</u>	<u>584</u>
<b>Excess of assets acquired over liabilities assumed in acquisition of Armstrong Foundation</b>	<u>632,994</u>	<u>15,715,583</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	(1,030,164)	14,891,795	416
<b>NET ASSETS, BEGINNING OF YEAR</b>	5,211,817	68,650,817	517
<b>Transfer of net assets due to change in donor restrictions</b>	<u>785,761</u>	<u>(785,761)</u>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 4,967,414</u>	<u>\$ 82,756,851</u>	<u>\$ 933</u>

**See Note to Supplemental Information.**

GSUF Real Estate Holdings, LLC		GSUF Botanical Gardens Real Estate, LLC		GSUF Guyton Real Estate, LLC		Eliminations	Totals
Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
\$ -	\$ -	\$ -	\$ -	\$ 5,323	\$ -	\$ (6,323)	\$ 3,844,829
-	-	-	-	-	-	-	2,622,018
-	-	-	-	-	-	-	3,097,517
-	-	-	-	-	-	-	1,964,399
-	-	-	-	-	-	-	(2,503,610)
-	-	-	-	-	-	(724,212)	-
-	-	-	-	-	-	-	356,622
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,323	-	(730,535)	9,381,775
-	-	-	-	-	-	-	3,120,756
3,205	-	45,552	-	8,049	-	-	4,722,775
3,205	-	45,552	-	8,049	-	-	7,843,531
-	-	-	-	-	-	(6,323)	1,322,261
-	-	-	-	-	-	-	2,753,996
-	-	-	-	-	-	(724,212)	-
-	-	-	-	-	-	(730,535)	4,076,257
3,205	-	45,552	-	8,049	-	(730,535)	11,919,788
-	-	-	-	-	-	-	16,348,577
(3,205)	-	(45,552)	-	(2,726)	-	-	13,810,564
45,824	108,000	831,427	162,500	5,495	495,000	(370,600)	75,140,797
-	-	-	-	-	-	-	-
\$ 42,619	\$ 108,000	\$ 785,875	\$ 162,500	\$ 2,769	\$ 495,000	\$ (370,600)	\$ 88,951,361

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC  
AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Georgia Southern University Foundation, Inc.		GSUF Real Estate, LLC
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions
<b>SUPPORT AND REVENUES</b>			
Contributions, net	\$ 191,243	\$ 9,629,535	\$ 750
Contributed services and materials	6,564	502,217	-
Contributed salaries and benefits by			
Georgia Southern University	3,078,739	-	-
Interest and dividends	350,156	1,322,367	-
Net realized and unrealized gains on investments	84,107	498,600	-
Administrative fees	559,505	-	-
Other revenue	102,769	523,711	-
Net assets released from restrictions:			
Satisfaction of restrictions for University support	2,389,968	(2,389,968)	-
Satisfaction of restrictions to pay administrative fees	559,505	(559,505)	-
Satisfaction of restrictions for awards and scholarships	2,130,656	(2,130,656)	-
Total support and revenues	<u>9,453,212</u>	<u>7,396,301</u>	<u>750</u>
<b>EXPENSES</b>			
<b>Program services</b>			
Student support	2,395,260	-	-
University support	2,761,481	-	754
Total program services	<u>5,156,741</u>	<u>-</u>	<u>754</u>
<b>Supporting services</b>			
Management and general	1,325,770	-	-
Fundraising	2,693,682	-	-
Administrative fees	559,505	-	-
Total supporting services	<u>4,578,957</u>	<u>-</u>	<u>-</u>
Total expenses	<u>9,735,698</u>	<u>-</u>	<u>754</u>
<b>CHANGE IN NET ASSETS</b>	(282,486)	7,396,301	(4)
<b>NET ASSETS, BEGINNING OF YEAR</b>	5,254,507	61,494,312	521
<b>Transfer of net assets due to change in donor restriction</b>	<u>239,796</u>	<u>(239,796)</u>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 5,211,817</u>	<u>\$ 68,650,817</u>	<u>\$ 517</u>

**See Note to Supplemental Information.**

GSUF Real Estate Holdings, LLC		GSUF Botanical Gardens Real Estate, LLC		GSUF Guyton Real Estate, LLC		Eliminations	Totals
Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
\$ -	\$ -	\$ 100,257	\$ -	\$ -	\$ -	\$ (23,007)	\$ 9,898,778
-	-	-	-	-	-	-	508,781
-	-	-	-	-	-	-	3,078,739
-	-	-	-	-	-	-	1,672,523
-	-	-	-	-	-	-	582,707
-	-	-	-	-	-	(559,505)	-
-	-	-	-	-	-	-	626,480
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	100,257	-	-	-	(582,512)	16,368,008
-	-	-	-	-	-	-	2,395,260
3,269	-	40,142	-	2,746	-	-	2,808,392
3,269	-	40,142	-	2,746	-	-	5,203,652
-	-	-	-	-	-	(23,007)	1,302,763
-	-	-	-	-	-	-	2,693,682
-	-	-	-	-	-	(559,505)	-
-	-	-	-	-	-	(582,512)	3,996,445
3,269	-	40,142	-	2,746	-	(582,512)	9,200,097
(3,269)	-	60,115	-	(2,746)	-	-	7,167,911
49,093	108,000	771,312	162,500	8,241	495,000	(370,600)	67,972,886
-	-	-	-	-	-	-	-
<u>\$ 45,824</u>	<u>\$ 108,000</u>	<u>\$ 831,427</u>	<u>\$ 162,500</u>	<u>\$ 5,495</u>	<u>\$ 495,000</u>	<u>\$ (370,600)</u>	<u>\$ 75,140,797</u>

**GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTE TO SUPPLEMENTAL INFORMATION**

**NOTE 1. CONSOLIDATING FINANCIAL STATEMENTS**

For the years ended June 30, 2020 and 2019, the Foundation has presented the investments in subsidiaries at cost on the consolidating statements of financial position.