

**GEORGIA SOUTHERN UNIVERSITY
ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2023

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL REPORT
JUNE 30, 2023**

TABLE OF CONTENTS

Page

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

FINANCIAL STATEMENTS

Consolidated statements of financial position..... 3

Consolidated statements of activities.....4 and 5

Consolidated statements of functional expenses.....6 and 7

Consolidated statements of cash flows..... 8

Notes to consolidated financial statements..... 9-24

SUPPLEMENTAL INFORMATION

Consolidating statements of financial position25 and 26

Consolidating statements of activities.....27 and 28

Note to supplemental information 29



INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Georgia Southern University Athletic Foundation, Inc. and Subsidiary
Statesboro, Georgia**

Opinion

We have audited the accompanying consolidated financial statements of the **Georgia Southern University Athletic Foundation, Inc.** (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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 Georgia Southern University Athletic Foundation, Inc. and Subsidiary as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Georgia Southern University Athletic 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 Consolidated 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 Georgia Southern University Athletic 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 Georgia Southern University Athletic 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 consolidating statements of financial position and activities ("consolidating information") shown on pages 25 through 29 are presented for purposes of additional analysis and are 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 1, 2023

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 11,831,153	\$ 12,296,472
Assets limited as to use	1,924,745	1,858,442
Contributions receivable, net	8,558,816	6,055,907
Other accounts receivable	8,127	45,635
Investments	3,785,531	3,509,760
Net investment in direct financing leases	18,059,096	18,556,993
Prepaid expenses	1,160	1,166
Property and equipment, net	11,180,506	2,389,537
Other assets	36,874	32,594
TOTAL ASSETS	\$ 55,386,008	\$ 44,746,506
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 1,746,062	\$ 380,389
Accrued interest payable	380,689	389,538
Other accrued expenses	214,294	452,718
Due to Georgia Southern University Foundation	2,520,017	1,440,842
Due to University	309,236	1,265,985
Deferred revenue	939,726	727,073
Note payable	6,924,422	-
Bonds payable, net	18,492,829	19,055,471
Total liabilities	<u>31,527,275</u>	<u>23,712,016</u>
NET ASSETS		
Without donor restrictions:		
Board-designated reserve fund	516,194	516,194
Undesignated	8,897,866	8,038,099
	<u>9,414,060</u>	<u>8,554,293</u>
With donor restrictions	14,444,673	12,480,197
Total net assets	<u>23,858,733</u>	<u>21,034,490</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 55,386,008	\$ 44,746,506

See Notes to Consolidated Financial Statements.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions	\$ 2,512,336	\$ 6,340,736	\$ 8,853,072
Contributed services and materials	99,101	631,854	730,955
Contributed salaries and benefits by Georgia Southern University	1,156,829	-	1,156,829
Lease income from stadium suites	641,609	-	641,609
Interest income from direct financing leases	960,323	-	960,323
Special event income, net	23,513	42,899	66,412
Interest and dividends, net of investment fees	301,105	89,546	390,651
Net realized and unrealized gains on investments	-	244,867	244,867
Other income	211,496	383,550	595,046
Bad debt (losses)	(61,171)	(175,684)	(236,855)
Net assets released from donor restrictions	5,593,292	(5,593,292)	-
Total support and revenues	<u>11,438,433</u>	<u>1,964,476</u>	<u>13,402,909</u>
EXPENSES			
Program services:			
Student support	130,368	-	130,368
University support	8,143,300	-	8,143,300
Total program services	<u>8,273,668</u>	<u>-</u>	<u>8,273,668</u>
Supporting services:			
General and administrative	1,653,298	-	1,653,298
Fundraising	651,700	-	651,700
Total expenses	<u>10,578,666</u>	<u>-</u>	<u>10,578,666</u>
CHANGE IN NET ASSETS	859,767	1,964,476	2,824,243
NET ASSETS, BEGINNING OF YEAR	<u>8,554,293</u>	<u>12,480,197</u>	<u>21,034,490</u>
NET ASSETS, END OF YEAR	<u>\$ 9,414,060</u>	<u>\$ 14,444,673</u>	<u>\$ 23,858,733</u>

See Notes to Consolidated Financial Statements.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 2,164,305	\$ 6,851,869	\$ 9,016,174
Contributed services and materials	168,894	108,627	277,521
Contributed salaries and benefits by Georgia Southern University	1,025,011	-	1,025,011
Lease income from stadium suites	369,099	-	369,099
Interest income from direct financing leases	983,885	-	983,885
Special event income, net	17,413	40,234	57,647
Interest and dividends, net of investment fees	13,579	52,146	65,725
Net realized and unrealized (losses) on investments	-	(519,573)	(519,573)
Other income	65,161	153,729	218,890
Bad debt recovery (losses)	21,891	(262,199)	(240,308)
Net assets released from donor restrictions	2,068,932	(2,068,932)	-
Total support and revenues	<u>6,898,170</u>	<u>4,355,901</u>	<u>11,254,071</u>
EXPENSES			
Program services:			
Student support	104,698	-	104,698
University support	3,675,954	-	3,675,954
Total program services	<u>3,780,652</u>	<u>-</u>	<u>3,780,652</u>
Supporting services:			
General and administrative	1,723,850	-	1,723,850
Fundraising	951,171	-	951,171
Total expenses	<u>6,455,673</u>	<u>-</u>	<u>6,455,673</u>
CHANGE IN NET ASSETS	442,497	4,355,901	4,798,398
NET ASSETS, BEGINNING OF YEAR	<u>8,111,796</u>	<u>8,124,296</u>	<u>16,236,092</u>
NET ASSETS, END OF YEAR	<u>\$ 8,554,293</u>	<u>\$ 12,480,197</u>	<u>\$ 21,034,490</u>

See Notes to Consolidated Financial Statements.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Totals</u>
	<u>Student Support</u>	<u>University Support</u>	<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries and benefits	\$ -	\$ -	\$ -	\$ 1,382,829	\$ -	\$ 1,382,829
Athletic support	-	2,506,128	2,506,128	-	-	2,506,128
Facilities and maintenance	-	973,347	973,347	13	2,197	975,557
Facility construction support	-	1,528,524	1,528,524	-	-	1,528,524
Professional fees	-	106,627	106,627	44,228	2,961	153,816
Marketing and advertising	-	108,404	108,404	1,433	428,125	537,962
Conference and travel	-	304,768	304,768	7,598	62,331	374,697
Supplies	-	332,030	332,030	45,661	138,729	516,420
Interest	-	788,733	788,733	-	-	788,733
Insurance	-	79,220	79,220	36,915	-	116,135
Contributed materials and services	-	578,414	578,414	79,101	-	657,515
Other student support	130,368	-	130,368	-	-	130,368
Other personnel costs	-	559,009	559,009	37,120	-	596,129
Other	-	146,227	146,227	18,400	17,357	181,984
Total expenses before depreciation	<u>130,368</u>	<u>8,011,431</u>	<u>8,141,799</u>	<u>1,653,298</u>	<u>651,700</u>	<u>10,446,797</u>
Depreciation	<u>-</u>	<u>131,869</u>	<u>131,869</u>	<u>-</u>	<u>-</u>	<u>131,869</u>
Total expenses	<u>\$ 130,368</u>	<u>\$ 8,143,300</u>	<u>\$ 8,273,668</u>	<u>\$ 1,653,298</u>	<u>\$ 651,700</u>	<u>\$ 10,578,666</u>

See Notes to Consolidated Financial Statements.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Totals</u>
	<u>Student Support</u>	<u>University Support</u>	<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries and benefits	\$ -	\$ -	\$ -	\$ 1,375,403	\$ 517,638	\$ 1,893,041
Athletic support	-	1,019,208	1,019,208	-	-	1,019,208
Facilities and maintenance	-	548,748	548,748	-	-	548,748
Facility construction support	-	483,194	483,194	-	-	483,194
Professional fees	-	20,232	20,232	28,659	35,000	83,891
Marketing and advertising	-	78,725	78,725	9,467	309,875	398,067
Conference and travel	-	128,711	128,711	8,247	63,988	200,946
Supplies	-	265,656	265,656	206,939	19,214	491,809
Interest	-	806,433	806,433	-	-	806,433
Insurance	-	680	680	33,820	27	34,527
Other student support	104,698	-	104,698	-	-	104,698
Other personnel costs	-	149,975	149,975	38,770	575	189,320
Other	-	31,186	31,186	22,545	4,854	58,585
Total expenses before depreciation	<u>104,698</u>	<u>3,532,748</u>	<u>3,637,446</u>	<u>1,723,850</u>	<u>951,171</u>	<u>6,312,467</u>
Depreciation	-	143,206	143,206	-	-	143,206
Total expenses	<u>\$ 104,698</u>	<u>\$ 3,675,954</u>	<u>\$ 3,780,652</u>	<u>\$ 1,723,850</u>	<u>\$ 951,171</u>	<u>\$ 6,455,673</u>

See Notes to Consolidated Financial Statements.

GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 2,824,243	\$ 4,798,398
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	131,869	143,206
Bad debts and allowance for bad debts	236,855	240,308
Amortization of bond issuance costs	14,636	14,587
Amortization of original issue bond discount	12,722	12,773
Loss on disposal of fixed assets	6,500	-
Net unrealized and realized (gains) losses on investments	(244,867)	516,541
Principal received on net investments in direct financing leases	497,897	472,505
(Increase) decrease in operating assets:		
Contributions receivable	(2,739,764)	(2,276,220)
Other accounts receivable	37,508	(45,635)
Due from University	-	404,174
Prepaid expenses	6	2,750
Other assets	(4,280)	(5,490)
Increase (decrease) in operating liabilities:		
Accounts payable	1,365,673	363,062
Due to Georgia Southern University Foundation	1,079,175	(257,021)
Due to University	(956,749)	1,126,962
Accrued interest payable	(8,849)	(7,250)
Accrued coaches buyout	(238,424)	256,795
Deferred revenue	212,653	333,890
Net cash provided by operating activities	<u>2,226,804</u>	<u>6,094,335</u>
INVESTING ACTIVITIES		
Purchases of investments	(118,777)	(1,103,834)
Proceeds from sale of investments	87,873	-
Purchases of property and equipment	(8,929,338)	(402,212)
Net cash (used in) investing activities	<u>(8,960,242)</u>	<u>(1,506,046)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of note payable	6,924,422	-
Bond redemption	(590,000)	(580,000)
Net cash provided by (used in) financing activities	<u>6,334,422</u>	<u>(580,000)</u>
Net (decrease) increase in cash and cash equivalents	(399,016)	4,008,289
Cash and cash equivalents, beginning of year	<u>14,154,914</u>	<u>10,146,625</u>
Cash and cash equivalents, end of year	<u>\$ 13,755,898</u>	<u>\$ 14,154,914</u>
Cash and cash equivalents	\$ 11,831,153	\$ 12,296,472
Assets limited as to use	<u>1,924,745</u>	<u>185,842</u>
Cash and cash equivalents, end of year	<u>\$ 13,755,898</u>	<u>\$ 12,482,314</u>
SUPPLEMENTAL DATA FOR FINANCING ACTIVITIES		
Interest paid (excluding capitalized interest)	<u>\$ 788,733</u>	<u>\$ 806,433</u>

See Notes to Consolidated Financial Statements.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

Nature of Organization

Georgia Southern University Athletic Foundation, Inc. (the “Foundation”) is an independent, nonprofit corporation organized for the purpose of promoting the athletic programs at Georgia Southern University. The Foundation’s support comes primarily from donor contributions.

Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of Georgia Southern University Athletic Foundation, Inc. and its wholly owned subsidiary, Stadium Construction, LLC. All significant intra-organization transactions and balances have been eliminated in consolidation.

Stadium Construction, LLC was formed in 2013 to oversee the Allen E. Paulson Stadium expansion project and construction of a new football operations building. The stadium expansion project has increased stadium seating capacity by approximately 6,500 seats and modified and added restrooms, a concession center, and related amenities. The football operations building is approximately 50,000 square feet and houses offices, team meeting rooms, locker rooms, rehabilitation rooms, a weight room, a hall of fame, and related amenities. The construction projects were completed in August 2014.

Method of Accounting

The consolidated financial statements of the Foundation have been prepared utilizing the accrual basis of accounting.

Cash Concentration

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

Property and Equipment

Property and equipment are capitalized at cost. It is the Foundation’s policy to capitalize property and equipment costing in excess of \$1,000. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Lives</u>
Buildings and improvements	15 to 40 years
Furniture and equipment	3 to 7 years

Bond Issuance Costs

Bond issuance costs include the underwriter’s discount and other related costs of the bond issuance. These amounts are being amortized over the term of the bonds. Amortization expense of \$14,636 and \$14,587 for the years ended June 30, 2023 and 2022, respectively, is included in interest expense on the consolidated statements of activities. The accumulated amortization totaled \$146,360 and \$131,726 for the years ended June 30, 2023 and 2022, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Bond Discounts

Bond discounts are presented as a decrease of the face amount of bonds payable. The discount is amortized over the term of the bond using the effective interest method.

Deferred Revenue

Deferred revenue represents the receipt of football stadium suites' payments for the upcoming football season.

Net Investment in Direct-Financing Leases

The Foundation leases real estate to the University. 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 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.

Contributions

Contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in net assets with donor 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 promises to give are received to discount the amounts.

The allowance for doubtful accounts is based on specifically identified amounts that the Foundation believes to be uncollectible, plus certain percentages of aged receivables, 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.

Contributed Services and Materials

Contributed services and materials are reflected in the consolidated 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.

Endowment Accounting

Perpetual endowment funds are subject to the restrictions of the gift instruments which require that the principal be invested in perpetuity. Unless explicitly stated in the gift instrument, accumulated investment income and realized and unrealized gains of the perpetual endowment funds have been classified as net assets with donor restrictions. Transfers reflect a change in donor intent. See Note 12 for discussion on endowment accounting.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes there are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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 are perpetual in nature, where the donor stipulates those 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.

Investments

Investments consist primarily of pooled funds. Investments are recorded at fair value. Investment fees incurred totaled \$3,620 and \$3,032 for the years ended June 30, 2023 and 2022, respectively.

Donated investments are recorded at fair value on the date received. Realized and unrealized gains and losses on the portfolio are recognized as income or loss.

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.

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:

Investments - Investments are carried at fair value based on quoted market prices for those or similar investments.

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 ORGANIZATION AND SUMMARY OF 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.

For the years ended June 30, 2023 and 2022, the fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF 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 benefits, professional fees, marketing and advertising, conference and travel, supplies and other expenses include certain expenses that are allocated on the basis of estimates of time and effort. Facilities and maintenance expenses include certain expenses that are allocated on a square footage basis.

Income Tax Status

The Foundation qualifies as a tax-exempt organization as described in the 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. 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.

The Tax Reform Act of 1986 requires governmental organizations issuing tax-exempt bonds to refund to the U.S. Treasury interest earnings on bond proceeds in excess of the yield on those bonds. Governmental organizations must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Organizations are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five years over the life of the bonds. The Foundation reports arbitrage (other debt service) expenditures when the liability is due.

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 ended June 30, 2023, 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 2023 or 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. ASSETS LIMITED AS TO USE

Assets limited as to use consist of funds to be delivered to the Trustee which are to be used for principal and interest payments, maintenance of the required debt service reserve, and other costs associated with the capital projects for which the bonds were issued.

A summary of the assets limited as to use held by the Trustee under the Trust Indenture as of June 30, 2023 and 2022 is as follows:

	2023	2022
Principal funds	\$ 621,644	\$ 590,928
Interest funds	387,858	390,385
Debt service reserve funds	688,434	688,434
Repair and replacement funds	226,809	188,695
	\$ 1,924,745	\$ 1,858,442

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statements of financial position date, June 30, 2023 and 2022, respectively, because of contractual or donor-imposed restrictions or internal designations:

	2023	2022
Cash and cash equivalents	\$ 8,692,169	\$ 8,193,604
Contributions receivable, net	429,864	495,794
Other receivables	8,127	45,635
	\$ 9,130,160	\$ 8,735,033

The board-designated reserve fund of \$516,194 as of both June 30, 2023 and 2022 is not included in the liquidity figure shown above and can be used at the board's discretion based upon the needs of the Foundation. Although the Foundation does not intend to spend from this board-designated reserve fund except as otherwise included in budgeted amounts, these funds could be made available if necessary.

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. In general, the Foundation maintains sufficient financial assets on hand to meet 30 days of normal operating expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Receivable in less than one year	\$ 538,623	\$ 2,469,427	\$ 3,008,050
Receivable in one to five years	<u>92,600</u>	<u>7,649,790</u>	<u>7,742,390</u>
Total contributions receivable	631,223	10,119,217	10,750,440
Less discounts to net present value at 5.24%	(12,569)	(1,267,785)	(1,280,354)
Less allowance for uncollectibles	<u>(96,188)</u>	<u>(815,082)</u>	<u>(911,270)</u>
Net contributions receivable	<u>\$ 522,466</u>	<u>\$ 8,036,350</u>	<u>\$ 8,558,816</u>

Contributions receivable at June 30, 2022 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Receivable in less than one year	\$ 446,685	\$ 2,154,404	\$ 2,601,089
Receivable in one to five years	<u>176,350</u>	<u>5,149,605</u>	<u>5,325,955</u>
Total contributions receivable	623,035	7,304,009	7,927,044
Less discounts to net present value at 4.75%	(18,676)	(765,390)	(784,066)
Less allowance for uncollectibles	<u>(42,242)</u>	<u>(1,044,829)</u>	<u>(1,087,071)</u>
Net contributions receivable	<u>\$ 562,117</u>	<u>\$ 5,493,790</u>	<u>\$ 6,055,907</u>

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land – Golf practice facility	\$ 80,301	\$ 80,301
Golf practice facility	1,659,361	1,660,714
Furniture and equipment	2,424,084	2,431,209
Construction in progress	<u>9,331,549</u>	<u>402,212</u>
	13,495,295	4,574,436
Less: accumulated depreciation	<u>(2,314,789)</u>	<u>(2,184,899)</u>
Property and equipment, net	<u>\$ 11,180,506</u>	<u>\$ 2,389,537</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. INVESTMENT IN DIRECT FINANCING LEASES

Stadium Construction, LLC has entered into separate rental agreements with the Board of Regents, a related party, for the stadium expansion project and football operations building. The agreement term periods will commence on the first day of the first month following the issuance of a certificate of occupancy which were issued during the year ended June 30, 2015 for both projects. The Board of Regents has the option to renew or extend the agreements on a year to year basis for 28 consecutive years until June 30, 2043. At the termination of the lease, the Foundation will convey its title in these projects to the Board of Regents.

The following is a summary of the components of the Foundation's net investment in direct-financing type leases at June 30, 2023 and 2022:

	2023	2022
Total minimum lease payments to be received	\$ 28,817,874	\$ 30,244,424
Less unearned income	(10,758,778)	(11,687,431)
Net investment	\$ 18,059,096	\$ 18,556,993

Net minimum lease payments to be received as of June 30, 2023 for each of the next five years and thereafter are:

June 30,		
2024		\$ 524,028
2025		553,494
2026		582,249
2027		612,713
2028		645,667
2029-2033		3,796,032
2034-2038		4,943,947
2039-2043		6,400,966
		\$ 18,059,096

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. 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, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 96,624	\$ -	\$ -	\$ 96,624
Mutual funds	2,344,665	-	-	2,344,665
Equity securities	1,344,242	-	-	1,344,242
Total assets at fair value	\$ 3,785,531	\$ -	\$ -	\$ 3,785,531

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	Total
Money market funds	\$ 144,619	\$ -	\$ -	\$ 144,619
Mutual funds	1,990,984	-	-	1,990,984
Equity securities	1,374,157	-	-	1,374,157
Total assets at fair value	\$ 3,509,760	\$ -	\$ -	\$ 3,509,760

The Foundation has adopted investment and spending policies for endowment investments 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. Under this policy, as approved by the Finance Committee of the Board of Directors, the endowment investments are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar asset classes while assuming a moderate level of investment risk.

The pooled diversified funds, broken out by natural classification above, are part of the Board of Regents of the University System of Georgia's investment pool, which is not registered with the Securities and Exchange Commission as an investment company. The fair value of the investment pool is determined daily. The investment pool does not issue shares. Each participant enters the investment pool voluntarily and is allocated a pro rata share of each investment that is selected at fair value along with a pro rata share of the income each investment earns.

The pooled diversified funds include investments in funds that invest primarily in money markets, mutual funds, and equity securities. There are no unfunded commitments, lockout periods, or redemption terms as of June 30, 2023 and 2022. The pooled diversified funds are considered to mature within a year.

NOTE 8. NOTE PAYABLE

During June 2022, the Foundation entered into a loan agreement for the purpose of constructing an indoor practice facility. This loan has a principal balance of up to \$10,000,000 with a variable interest rate beginning at 3.85% per annum and subject to change beginning June 2025 and thereafter based upon the prime rate minus 0.5 percentage points. The interest rate will never be greater than 4.85% or less than 3.25%. Interest only payments began in December 2022 for six payment periods at which point regular principal and interest payments commence. Principal and interest payments begin December 24, 2025. The maturity date of the loan is June 2035. At June 30, 2023 and 2022, the loan balance was \$6,924,422 and \$-, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9. BONDS PAYABLE

During the year ended June 30, 2013, the Development Authority of Bulloch County (Development Authority) issued \$23,360,000 of Revenue Bonds (Stadium Construction, LLC project), Series 2013. Pursuant to the Loan Agreement and Assignment of Gross Revenues and Certain Agreements and Accounts, bond sale proceeds were loaned to Stadium Construction, LLC, to finance or reimburse the cost of the Allen E. Paulson Stadium expansion project and new football operations building construction, fund capitalized interest on and a debt service reserve fund for the Series 2013 Bonds and pay the costs of issuing the Series 2013 Bonds. Stadium Construction, LLC assigned its gross revenues to the trustee, Branch Banking and Trust Company (now Truist).

Stadium Construction, LLC granted the Development Authority first lien on and first security title to its leasehold interests in real property connected to the construction projects, granted security interest in personal property considered part of the construction projects, assigned its interests in the construction and design contracts for the project, and assigned certain revenue to be derived from the construction projects through a Leasehold Deed to Secure Debt.

Pursuant to a Trust Indenture, the Development Authority assigned its rights to the trustee, Branch Banking and Trust Company (now Truist), on behalf of the bondholders.

Serial and term bonds were issued with interest rates ranging from 2% to 4.25% and mature in varying amounts beginning July 1, 2015 through July 1, 2043. Interest payments are due semi-annually on January 1st and July 1st beginning July 1, 2013.

Following are the maturities of the bonds for each of the next five years and in the aggregate:

Year Ending June 30,	Amount
2024	\$ 610,000
2025	630,000
2026	650,000
2027	670,000
2028	690,000
2029-2033	3,900,000
2034-2038	4,760,000
2039-2043	5,810,000
2044	1,320,000
	19,040,000
Less unamortized discount	(254,443)
Less unamortized debt issuance costs	(292,728)
Total bonds payable, net	\$ 18,492,829

Bond interest expense incurred totaled \$761,375 and \$779,075 for the years ended June 30, 2023 and 2022, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2023 and 2022:

	2023	2022
Subject to expenditure for specified purpose:		
Scholarships	\$ 853,036	\$ 814,676
Scholarships and other athletic department priorities	374,170	736,219
Football operations complex and other capital improvements	1,807,568	1,147,134
Athletic department support for designated sports	578,133	736,388
Anthony P. Tippins family training facility	3,315,161	3,263,934
Promises to give, the proceeds from which have been restricted by donors for:		
Scholarships and other athletic department support	630,489	157,245
Football operations complex and other capital improvements	1,138,768	422,707
Athletic department support for designated sports	438,414	266,476
Anthony P. Tippins family training facility	3,073,981	3,035,178
	12,209,720	10,579,957
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Scholarships	404,421	315,109
Capital improvements	57,199	42,180
Subject to endowment spending policy:		
Scholarships	1,272,017	1,217,802
Capital improvements	250,000	250,000
Unconditional promises to give, net – restricted for endowment	251,316	75,149
	2,234,953	1,900,240
	\$ 14,444,673	\$ 12,480,197

Net assets with donor restrictions consist of the following as of June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 2,622,790	\$ 3,586,674
Investments	3,785,531	3,509,760
Contributions receivable, net	8,036,352	5,383,763
	\$ 14,444,673	\$ 12,480,197

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions were released for the following purposes during the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Scholarships and other athletic department priorities	\$ 1,318,294	\$ 395,167
Football operations complex and other capital improvements	282,895	213,765
Athletic department support for designated sports	1,284,544	614,951
Anthony P. Tippins family training facility	1,179,035	361,856
Convocation Center transfers	1,528,524	483,193
	<u>\$ 5,593,292</u>	<u>\$ 2,068,932</u>

NOTE 11. BOARD DESIGNATED NET ASSETS

In August 2012, the executive committee of the Board of Directors authorized the establishment of a debt service/continuity reserve fund to enhance the future financial stability of the Foundation. The Foundation reserve had a balance of \$266,194 at both June 30, 2023 and 2022. In July 2018, the executive committee of the Board of Directors authorized a portion of funds to be received at a future date to be designated specifically for the Transition 20 project. This specific board-designated fund had a balance of \$250,000 at both June 30, 2023 and 2022. Total board designated net assets at June 30, 2023 and 2022 is \$516,194. There were no amounts undesignated by the Board of Directors for the purposes stated above during both the years ended June 30, 2023 and 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. ENDOWMENT

The Foundation's endowments consist of approximately 37 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 Foundation has interpreted 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 restrictions: (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) 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 restrictions to be held in perpetuity is classified as net assets with donor restrictions available for expenditure 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 Foundation
7. The investment policies of the Foundation

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are generally reported in net assets with donor restriction. At June 30, 2023, one fund with original gift values of \$25,000, fair values of \$24,936, and deficiencies of \$64 was reported in net assets with donor restrictions. At June 30, 2022, one fund with original gift values of \$25,000, fair values of \$24,394, and deficiencies of \$606 was reported in net assets with donor restrictions.

Return Objectives and Risk Parameters

The Foundation is adopting 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 Investment Committee of the Board of Directors, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's Investment Committee of the Board of Directors (the "Committee") determines the method to be used to appropriate endowment funds for expenditure. The Foundation has implemented a spending policy whereby a certain percentage of the fair value of endowment net assets may be distributed for purposes of supporting donor restricted activities. The spending policy defines eligible assets, or seasoned assets, as those that have a current market value greater than or equal to 110% of the corpus balance. The spending policy restricts authorized expenditures for seasoned assets shall be limited to 4.25% of the average market value of the assets over a trailing twelve quarter period as of June 30. The Foundation shall not make distributions from ineligible, or unseasoned assets, as defined in the spending policy.

The Changes in Endowment Net Assets for the year ended June 30, 2023 are:

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	<u>\$ 1,900,240</u>
Investment return:	
Net appreciation (realized and unrealized)	<u>104,331</u>
Total investment return	<u>104,331</u>
Contributions, net	<u>230,382</u>
Endowment net assets, end of year	<u>\$ 2,234,953</u>

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

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2022	<u>With Donor Restrictions</u>
Endowment net assets, beginning of year	<u>\$ 2,142,176</u>
Investment return:	
Net depreciation (realized and unrealized)	<u>(244,807)</u>
Total investment (loss)	<u>(244,807)</u>
Contributions, net	<u>2,871</u>
Endowment net assets, end of year	<u>\$ 1,900,240</u>

The portion of perpetual endowment funds that is required to be retained in perpetuity either by explicit donor stipulations or by UPMIFA totaled \$1,773,533 and \$1,543,151 for June 30, 2023 and 2022, respectively. The portion of perpetual endowment funds subject to a time and purpose restriction under UPMIFA totaled \$461,420 and \$357,089 at June 30, 2023 and 2022, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. CASH VALUE OF INSURANCE ON LIFE OF DONOR

The Foundation has a program of encouraging donors to purchase life insurance policies naming the Foundation as the owner and beneficiary. At June 30, 2023 and 2022, the death benefits of these policies totaled \$601,625 and \$600,000, respectively. The increase in cash values of such policies is recognized as income each year. The cash value of the policy is \$36,874 and \$32,594, respectively, at June 30, 2023 and 2022. 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.

NOTE 14. CONTRIBUTED SERVICES AND MATERIALS

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statement of activities included:

	2023	2022
Salaries	\$ 868,057	\$ 763,889
Benefits and fringe	288,772	261,122
Advertising	14,237	5,164
Auction	4,220	-
Lodging	7,596	2,677
Transportation	235,737	140,393
Meals	-	21,119
Equipment	22,383	-
Facilities	316,126	53,120
Operations	57,216	55,048
	<u>\$ 1,814,344</u>	<u>\$ 1,302,532</u>

The Foundation recognized contributed nonfinancial assets within revenue, including contributed supplies, equipment, transportation, food, and other services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services and materials is included in Management and General on the Consolidated Statement of Functional Expenses.

In valuing contributed materials, the Foundation estimated 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, the Foundation estimated fair value based on current rates for similar services.

NOTE 15. RELATED PARTY TRANSACTIONS

The Foundation maintains checking accounts and loan accounts at two separate banks in which board members are actively involved in the management and operations of those banks.

At June 30, 2023 and 2022, the Foundation owed Georgia Southern University \$309,236 and \$1,265,985, respectively, for reimbursement for various items paid by the University on behalf of the Foundation. The Foundation had no receivable from Georgia Southern University at June 30, 2023 and 2022.

Also at June 30, 2023 and 2022, the Foundation owed Georgia Southern University Foundation, Inc. ("GSU Foundation") \$2,520,017 and \$1,440,842, respectively, for contributions receivable and received for facility construction projects to be paid for by GSU Foundation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16. COMMITMENTS AND GUARANTEES

In the normal course of operations, the Foundation is a party to agreements in which it acts as a guarantor on certain athletic department employee contracts. Under these contracts, the Foundation has guaranteed to fulfill the terms of those contracts in the event that the University is unable to meet the terms of the contracts or in situations where the Foundation guarantees a buyout of an athletic department employee contract upon termination of that contract. The actual amount of the guarantee cannot be determined until the University is unable to fulfill the terms of specific contracts or until the contract is terminated. At June 30, June 30, 2023 and 2022, the Foundation has accrued \$214,294 and \$452,718, respectively, for severance on terminated coaches contracts.

The Foundation has also entered into a contract with a software provider for ticketing services for annual commitments of at least \$71,520 through June 30, 2026.

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated events occurring through September 1, 2023, the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023**

	Georgia Southern University Athletic Foundation, Inc.	Stadium Construction, LLC	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 11,741,292	\$ 89,861	\$ -	\$ 11,831,153
Assets limited as to use	-	1,924,745	-	1,924,745
Contributions receivable, less allowance for doubtful pledges of \$911,270 and present value discount of \$1,280,353	8,558,816	-	-	8,558,816
Other accounts receivable	8,127	-	-	8,127
Investments	3,785,531	-	-	3,785,531
Net investment in direct financing leases	-	18,059,096	-	18,059,096
Prepaid expenses	-	1,160	-	1,160
Property and equipment, net of accumulated depreciation of \$2,314,789	11,180,506	-	-	11,180,506
Other assets	37,124	-	(250)	36,874
TOTAL ASSETS	<u>\$ 35,311,396</u>	<u>\$ 20,074,862</u>	<u>\$ (250)</u>	<u>\$ 55,386,008</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 1,746,062	\$ -	\$ -	\$ 1,746,062
Accrued interest payable	-	380,689	-	380,689
Other accrued expenses	214,294	-	-	214,294
Due to Georgia Southern University Foundation	2,520,017	-	-	2,520,017
Due to University	309,236	-	-	309,236
Deferred revenue	939,726	-	-	939,726
Bonds payable, net	-	18,492,829	-	18,492,829
Note payable	6,924,422	-	-	6,924,422
Total liabilities	<u>12,653,757</u>	<u>18,873,518</u>	<u>-</u>	<u>31,527,275</u>
NET ASSETS				
Without donor restrictions:				
Board-designated reserve fund	516,194	-	-	516,194
Undesignated	7,696,772	1,201,344	(250)	8,897,866
Total without donor restrictions	<u>8,212,966</u>	<u>1,201,344</u>	<u>(250)</u>	<u>9,414,060</u>
With donor restrictions	14,444,673	-	-	14,444,673
Total net assets	<u>22,657,639</u>	<u>1,201,344</u>	<u>(250)</u>	<u>23,858,733</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 35,311,396</u>	<u>\$ 20,074,862</u>	<u>\$ (250)</u>	<u>\$ 55,386,008</u>

See Note to Supplemental Information.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

	Georgia Southern University Athletic Foundation, Inc.	Stadium Construction, LLC	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 12,207,772	\$ 88,700	\$ -	\$ 12,296,472
Assets limited as to use	-	1,858,442	-	1,858,442
Contributions receivable, less allowance for doubtful pledges of \$1,087,071 and present value discount of \$784,066	6,055,907	-	-	6,055,907
Other accounts receivable	45,635	-	-	45,635
Investments	3,509,760	-	-	3,509,760
Net investment in direct financing leases	-	18,556,993	-	18,556,993
Prepaid expenses	-	1,166	-	1,166
Property and equipment, net of accumulated depreciation of \$2,184,898	2,389,537	-	-	2,389,537
Other assets	32,844	-	(250)	32,594
TOTAL ASSETS	\$ 24,241,455	\$ 20,505,301	\$ (250)	\$ 44,746,506
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 378,989	\$ 1,400	\$ -	\$ 380,389
Accrued interest payable	-	389,538	-	389,538
Other accrued expenses	452,718	-	-	452,718
Due to Georgia Southern University Foundation	1,440,842	-	-	1,440,842
Due to University	1,265,985	-	-	1,265,985
Deferred revenue	727,073	-	-	727,073
Bonds payable, net	-	19,055,471	-	19,055,471
Total liabilities	4,265,607	19,446,409	-	23,712,016
NET ASSETS				
Without donor restrictions:				
Board-designated reserve fund	516,194	-	-	516,194
Undesignated	6,979,457	1,058,892	(250)	8,038,099
Total without donor restrictions	7,495,651	1,058,892	(250)	8,554,293
With donor restrictions	12,480,197	-	-	12,480,197
Total net assets	19,975,848	1,058,892	(250)	21,034,490
TOTAL LIABILITIES AND NET ASSETS	\$ 24,241,455	\$ 20,505,301	\$ (250)	\$ 44,746,506

See Note to Supplemental Information.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Georgia Southern University Athletic Foundation, Inc.			Stadium Construction, LLC		Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES									
Contributions	\$ 2,512,336	\$ 6,340,736	\$ 8,853,072	\$ -	\$ -	\$ -	\$ 2,512,336	\$ 6,340,736	\$ 8,853,072
Contributed services and materials	99,101	631,854	730,955	-	-	-	99,101	631,854	730,955
Contributed salaries and benefits by									
Georgia Southern University	1,156,829	-	1,156,829	-	-	-	1,156,829	-	1,156,829
Lease income from stadium suites	641,609	-	641,609	-	-	-	641,609	-	641,609
Interest income on direct financing lease	-	-	-	960,323	960,323	-	960,323	-	960,323
Special event income, net	23,513	42,899	66,412	-	-	-	23,513	42,899	66,412
Interest and dividends, net of investment fees	277,621	89,546	367,167	23,484	23,484	-	301,105	89,546	390,651
Net realized and unrealized gains on investments	-	244,867	244,867	-	-	-	-	244,867	244,867
Other	251,999	383,550	635,549	-	-	(40,503)	211,496	383,550	595,046
Bad debt (losses)	(61,171)	(175,684)	(236,855)	-	-	-	(61,171)	(175,684)	(236,855)
Net assets released from donor restrictions	5,593,292	(5,593,292)	-	-	-	-	5,593,292	(5,593,292)	-
Total support and revenues	<u>10,495,129</u>	<u>1,964,476</u>	<u>12,459,605</u>	<u>983,807</u>	<u>983,807</u>	<u>(40,503)</u>	<u>11,438,433</u>	<u>1,964,476</u>	<u>13,402,909</u>
EXPENSES									
Program services:									
Student support	130,368	-	130,368	-	-	-	130,368	-	130,368
University support	7,342,448	-	7,342,448	800,852	800,852	-	8,143,300	-	8,143,300
Total program services	<u>7,472,816</u>	<u>-</u>	<u>7,472,816</u>	<u>800,852</u>	<u>800,852</u>	<u>-</u>	<u>8,273,668</u>	<u>-</u>	<u>8,273,668</u>
Supporting services:									
General and administrative	1,653,298	-	1,653,298	40,503	40,503	(40,503)	1,653,298	-	1,653,298
Fundraising	651,700	-	651,700	-	-	-	651,700	-	651,700
Total expenses	<u>9,777,814</u>	<u>-</u>	<u>9,777,814</u>	<u>841,355</u>	<u>841,355</u>	<u>(40,503)</u>	<u>10,578,666</u>	<u>-</u>	<u>10,578,666</u>
CHANGE IN NET ASSETS	717,315	1,964,476	2,681,791	142,452	142,452	-	859,767	1,964,476	2,824,243
NET ASSETS, BEGINNING OF YEAR	7,495,651	12,480,197	19,975,848	1,058,892	1,058,892	(250)	8,554,293	12,480,197	21,034,490
NET ASSETS, END OF YEAR	<u>\$ 8,212,966</u>	<u>\$ 14,444,673</u>	<u>\$ 22,657,639</u>	<u>\$ 1,201,344</u>	<u>\$ 1,201,344</u>	<u>\$ (250)</u>	<u>\$ 9,414,060</u>	<u>\$ 14,444,673</u>	<u>\$ 23,858,733</u>

See Note to Supplemental Information.

**GEORGIA SOUTHERN UNIVERSITY ATHLETIC FOUNDATION, INC.
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Georgia Southern University Athletic Foundation, Inc.			Stadium Construction, LLC		Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES									
Contributions	\$ 2,164,305	\$ 6,851,869	\$ 9,016,174	\$ -	\$ -	\$ -	\$ 2,164,305	\$ 6,851,869	\$ 9,016,174
Contributed services and materials	168,894	108,627	277,521	-	-	-	168,894	108,627	277,521
Contributed salaries and benefits by Georgia Southern University	1,025,011	-	1,025,011	-	-	-	1,025,011	-	1,025,011
Lease income from stadium suites	369,099	-	369,099	-	-	-	369,099	-	369,099
Interest income on direct financing lease	-	-	-	983,885	983,885	-	983,885	-	983,885
Special event income, net	17,413	40,234	57,647	-	-	-	17,413	40,234	57,647
Interest and dividends, net of investment fees	13,031	52,146	65,177	548	548	-	13,579	52,146	65,725
Net realized and unrealized (losses) on investments	-	(519,573)	(519,573)	-	-	-	-	(519,573)	(519,573)
Other	107,059	153,729	260,788	-	-	(41,898)	65,161	153,729	218,890
Bad debt recovery (losses)	21,891	(262,199)	(240,308)	-	-	-	21,891	(262,199)	(240,308)
Net assets released from donor restrictions	2,068,932	(2,068,932)	-	-	-	-	2,068,932	(2,068,932)	-
Total support and revenues	<u>5,955,635</u>	<u>4,355,901</u>	<u>10,311,536</u>	<u>984,433</u>	<u>984,433</u>	<u>(41,898)</u>	<u>6,898,170</u>	<u>4,355,901</u>	<u>11,254,071</u>
EXPENSES									
Program services:									
Student support	104,698	-	104,698	-	-	-	104,698	-	104,698
University support	2,860,150	-	2,860,150	815,804	815,804	-	3,675,954	-	3,675,954
Total program services	2,964,848	-	2,964,848	815,804	815,804	-	3,780,652	-	3,780,652
Supporting services:									
General and administrative	1,723,850	-	1,723,850	41,898	41,898	(41,898)	1,723,850	-	1,723,850
Fundraising	951,171	-	951,171	-	-	-	951,171	-	951,171
Total expenses	<u>5,639,869</u>	<u>-</u>	<u>5,639,869</u>	<u>857,702</u>	<u>857,702</u>	<u>(41,898)</u>	<u>6,455,673</u>	<u>-</u>	<u>6,455,673</u>
CHANGE IN NET ASSETS	315,766	4,355,901	4,671,667	126,731	126,731	-	442,497	4,355,901	4,798,398
NET ASSETS, BEGINNING OF YEAR	7,179,885	8,124,296	15,304,181	932,161	932,161	(250)	8,111,796	8,124,296	16,236,092
NET ASSETS, END OF YEAR	<u>\$ 7,495,651</u>	<u>\$ 12,480,197</u>	<u>\$ 19,975,848</u>	<u>\$ 1,058,892</u>	<u>\$ 1,058,892</u>	<u>\$ (250)</u>	<u>\$ 8,554,293</u>	<u>\$ 12,480,197</u>	<u>\$ 21,034,490</u>

See Note to Supplemental Information.

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

NOTE 1. CONSOLIDATING FINANCIAL STATEMENTS

For the years ended June 30, 2023 and 2022, the Foundation has presented the investments in subsidiaries at cost on the consolidating statements of financial position.