

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Consolidated Financial Reports

June 30, 2024 and 2023



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Lawrenceville, Georgia

Opinion

We have audited the accompanying consolidated financial statements of Georgia Gwinnett College Foundation, Inc. and Subsidiaries (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets 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 Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation 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.

Management's Responsibility for the Consolidated Financial Statements

The Foundation's 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, the Foundation's management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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, including omissions, 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

A handwritten signature in black ink that reads "MS Ziller LLC". The signature is written in a cursive, flowing style.

Duluth, Georgia
September 5, 2024

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Consolidated Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Assets		
Cash	\$ 1,953,102	\$ 1,704,213
Restricted cash	9,205,143	9,117,247
Investments	11,038,128	9,892,142
Investments - restricted	4,062,744	4,087,985
Pledges receivable, net	2,272,679	1,030,359
Due from related party - College	63,558	19,977
Interest income receivable	7,755	7,711
Investment in sales-type leases, net	124,258,771	129,569,029
Land	8,262,388	8,262,388
Other assets	8,114	8,571
Total assets	<u>\$ 161,132,382</u>	<u>\$ 163,699,622</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 16,264	\$ 700,765
Due to related party - College	37,644	135,701
Interest expense payable	2,810,853	2,903,120
Notes and bonds payable, net	<u>129,260,144</u>	<u>134,813,326</u>
Total liabilities	132,124,905	138,552,912
Net Assets		
Without donor restrictions	17,286,498	15,912,185
Without donor restrictions - board designated	4,076,924	3,579,439
With donor restrictions	<u>7,644,055</u>	<u>5,655,086</u>
Total net assets	<u>29,007,477</u>	<u>25,146,710</u>
Total liabilities and net assets	<u>\$ 161,132,382</u>	<u>\$ 163,699,622</u>

The accompanying notes are an integral part of these consolidated financial statements.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Consolidated Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions of cash and other financial assets	\$ 161,712	\$ 2,701,771	\$ 2,863,483
Contributions of nonfinancial assets	215,436	-	215,436
Uncollectible pledges	(1,540)	(32,049)	(33,589)
Rental income	582,765	-	582,765
Income from investment in sales-type leases	5,687,303	-	5,687,303
Interest and dividend income	456,700	85,387	542,087
Net realized and unrealized gains on investments	604,595	353,445	958,040
Other income	68,372	-	68,372
Reinvestment and management fees	88,999	(88,999)	-
Net assets released from restriction	1,030,586	(1,030,586)	-
Total support and revenue	8,894,928	1,988,969	10,883,897
Operating Expenses			
College events	110	-	110
Program and administrative	570,611	-	570,611
Grants and scholarships	1,078,010	-	1,078,010
Total operating expenses	1,648,731	-	1,648,731
Occupancy Expenses			
Interest	4,805,483	-	4,805,483
Professional fees	52,966	-	52,966
Repairs and maintenance	513,966	-	513,966
Other occupancy expenses	1,984	-	1,984
Total occupancy expenses	5,374,399	-	5,374,399
Total expenses	7,023,130	-	7,023,130
Change in Net Assets	1,871,798	1,988,969	3,860,767
Net Assets, June 30, 2023	19,491,624	5,655,086	25,146,710
Net Assets, June 30, 2024	<u>\$ 21,363,422</u>	<u>\$ 7,644,055</u>	<u>\$ 29,007,477</u>

The accompanying notes are an integral part of these consolidated financial statements.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Consolidated Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions of cash and other financial assets	\$ 189,757	\$ 1,024,988	\$ 1,214,745
Contributions of nonfinancial assets	228,674	-	228,674
Uncollectible pledges	(9,797)	(30,024)	(39,821)
Rental income	1,445,525	-	1,445,525
Income from investment in sales-type leases	6,108,887	-	6,108,887
Interest and dividend income	371,905	70,932	442,837
Net realized and unrealized gains on investments	173,758	184,537	358,295
Loss on lease modification	(705,232)	-	(705,232)
Other income	68,664	-	68,664
Reinvestment and management fees	70,235	(70,235)	-
Net assets released from restriction	915,279	(915,279)	-
Total support and revenue	8,857,655	264,919	9,122,574
Operating Expenses			
College events	3,991	-	3,991
Program and administrative	564,537	-	564,537
Grants and scholarships	987,106	-	987,106
Total operating expenses	1,555,634	-	1,555,634
Occupancy Expenses			
Interest	5,134,097	-	5,134,097
Professional fees	59,165	-	59,165
Repairs and maintenance	1,699,909	-	1,699,909
Other occupancy expenses	8,316	-	8,316
Total occupancy expenses	6,901,487	-	6,901,487
Total expenses	8,457,121	-	8,457,121
Change in Net Assets	400,534	264,919	665,453
Net Assets, June 30, 2022	19,091,090	5,390,167	24,481,257
Net Assets, June 30, 2023	<u>\$ 19,491,624</u>	<u>\$ 5,655,086</u>	<u>\$ 25,146,710</u>

The accompanying notes are an integral part of these consolidated financial statements.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flow From Operating Activities		
Change in net assets	\$ 3,860,767	\$ 665,453
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Permanently restricted contributions	(409,390)	(271,200)
Depreciation and amortization	457	457
Net realized and unrealized gains on investments	(1,273,576)	(697,836)
Amortization of unearned rental income	(5,687,302)	(6,108,887)
Amortization of bond premiums	(1,183,213)	(1,335,215)
Amortization of debt issuance costs	65,031	76,553
Loss on lease modification	-	705,232
Changes in assets and liabilities:		
Pledges receivable	(1,116,320)	107,636
Investment in sales-type leases	10,997,560	11,342,024
Interest and other receivables	(43,625)	(13,343)
Payables and accrued interest	(874,825)	674,095
Deferred rental income	-	(435,495)
<i>Net Cash Provided By Operating Activities</i>	<u>4,335,564</u>	<u>4,709,474</u>
Cash Flow From Investing Activities		
Purchases of investments	(1,301,507)	(673,997)
Proceeds from sales of investments	<u>1,454,338</u>	<u>1,597,716</u>
<i>Net Cash Provided By Investing Activities</i>	<u>152,831</u>	<u>923,719</u>
Cash Flow From Financing Activities		
Principal payments on notes and bonds payable	(4,435,000)	(4,335,000)
Cash received from permanently restricted contributions	<u>283,390</u>	<u>136,200</u>
<i>Net Cash Required By Financing Activities</i>	<u>(4,151,610)</u>	<u>(4,198,800)</u>
Net Change in Cash and Restricted Cash	336,785	1,434,393
Cash and Restricted Cash, Beginning	<u>10,821,460</u>	<u>9,387,067</u>
Cash and Restricted Cash, Ending	<u><u>\$ 11,158,245</u></u>	<u><u>\$ 10,821,460</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Supplemental Disclosures:		
Cash paid for interest	\$ 6,015,932	\$ 6,512,804
Non-cash investing and financing activities:		
Decrease in sales-type leases due to lease modification	\$ -	\$ 9,645,539
Principal payment on bond payable by related party - College	\$ -	\$ 8,235,000
Decrease in premium on bonds payable due to early redemption	\$ -	\$ 683,971
Interest paid by related party- College	\$ -	\$ 94,373
Reconciliation of Cash and Restricted Cash to amounts shown on Statements of Financial Position		
Cash	\$ 1,953,102	\$ 1,704,213
Restricted cash	<u>9,205,143</u>	<u>9,117,247</u>
Total Cash and Restricted Cash	<u>\$ 11,158,245</u>	<u>\$ 10,821,460</u>

The accompanying notes are an integral part of these consolidated financial statements.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Georgia Gwinnett College Foundation, Inc. (the “Foundation”), was established on May 8, 2006, to serve as an advocate for Georgia Gwinnett College (the “College”), a unit of the University System of Georgia. The Foundation’s primary objective is to receive, invest, account for, and allocate private gifts and contributions in support of the College. Support and revenue is generated primarily through individual and corporate pledges and contributions.

GGC Real Estate Parking I, LLC (“Parking”), a wholly owned subsidiary of the Foundation, was established in fiscal year 2008 by Georgia Perimeter College Foundation (“Perimeter”) to acquire and construct facilities for teaching, recreation, and parking for the College and its students. On July 1, 2008, Perimeter transferred its ownership interest in Parking to the Foundation. Currently, these facilities are leased to the College (see Note 4).

GGC Foundation, LLC (“Student Housing”), a wholly owned subsidiary of the Foundation, was established in fiscal year 2009 to construct facilities for housing and parking for the College and its students. These facilities were completed during fiscal year 2011 and are leased to the College.

GGC Student Center, LLC (“Student Center”), a wholly owned subsidiary of the Foundation, was established in fiscal year 2009 to construct facilities for dining, bookstore, and meetings for the College and its students. These facilities were completed during fiscal year 2011 and are leased to the College.

GGCF Athletic Fields, LLC (“Athletic Fields”), a wholly owned subsidiary of the Foundation, was established in fiscal year 2012 to construct a varsity athletic complex (“VAC”) and to acquire a tennis facility for use by the College and its students. These facilities were completed during fiscal year 2013 and are leased to the College.

Principles of Consolidation: The accompanying financial statements include the consolidated accounts of the Foundation and its wholly owned subsidiaries: Parking; Student Housing; Student Center; and Athletic Fields. All material inter-company transactions and balances have been eliminated in consolidation.

Accounting Standards: On July 1, 2023, the Foundation adopted FASB’s Accounting Standards Codification Topic 326, *Allowance for Credit Losses* (“ASC 326”), using the modified retrospective approach. ASC 326 requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collections. The adoption of ASC 326 did not have a significant impact on beginning net assets or operating results for the current period.

Revenue Recognition: The Foundation recognizes contribution revenue when cash or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

released the restriction. Rental fees for special projects received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred.

Basis of Presentation: The Foundation follows the provisions of generally accepted accounting principles in the United States of America (“GAAP”) for not-for-profit organizations which require reporting total assets, liabilities and net assets in a statement of financial position; reporting changes in net assets in a statement of activities; and reporting the sources and uses of cash and cash equivalents in a statement of cash flows. Net assets and revenues, gains, expenses and losses are classified as “net assets without donor restrictions” or “net assets with donor restrictions” as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the Foundation or may otherwise be limited by contractual agreements with outside parties.

Net assets with donor restrictions - Net assets whose use by the Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time; or are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash: The Foundation considers only cash in interest bearing checking accounts to be cash. On occasion, the Foundation maintains cash balances on deposit with financial institutions in excess of federally insured limits. Management continually monitors the soundness of these financial institutions and believes the exposure to loss to be minimal.

As of June 30, 2024 and 2023, the Foundation held \$617,487 and \$496,783, respectively, of cash restricted by donors for scholarships and other purposes in support of the College.

Restricted Cash: Restricted cash is included in total cash on the statement of cash flows. Restricted cash reported on the accompanying consolidated statements of financial position represents cash that is required to be set aside by bond agreements.

Repurchase Agreements: The Foundation invests a portion of its investments – restricted for bond reserves (see Note 5) in repurchase agreements. In connection with transactions in repurchase agreements, it is the Foundation’s policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. In the event the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Foundation may be delayed or limited. As of June 30, 2024 and 2023, investments in repurchase agreements totaled \$525,156. During fiscal years 2024 and 2023, the investments were collateralized by securities with total fair values ranging from \$1,500,000 to \$2,200,000.

Investments: Investments – restricted consist of government bonds and repurchase agreements and are restricted by the Foundation’s debt agreements. These investments are valued using observable inputs including market interest rate and yield curves, and credit spreads.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

All other investments are held and managed by The Community Foundation of Northeast Georgia, Inc. (“CFNEG”) and Truist Banks, Inc. (“Truist”) within their pool of investment funds. Earnings from the pooled investments, net of investment fees, are allocated to the Foundation based on their average balance. Investment income and gains and losses on investments are recorded as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law.

Investments held in the pooled funds consist of a diversified portfolio of equities, mutual funds, exchange-traded funds, government bonds, money market and fixed income funds. Investments in pooled funds are valued based on the Foundation’s net asset value (“NAV”) within each fund as a practical expedient to determine their values.

Investment securities are exposed to various risks, such as interest rate risk, market risk, credit risk, and liquidity 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 could materially affect the amounts reported in the accompanying consolidated financial statements.

Pledges Receivable: Pledges receivable consist of unconditional promises to give that are expected to be collected in future years and are recognized in the period the promise is received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Pledges receivable are reviewed for collectability, and reserves for uncollected amounts are established when needed.

Contributions that are expected to be received in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions in the accompanying consolidated statements of activities. The discount on unconditional promises to give at June 30, 2024 and 2023 was \$243,000 and \$90,000, respectively.

Sales-Type Leases: The Foundation leases properties under agreements accounted for as sales-type leases. At the inception of the lease, the Foundation records the minimum future lease payments receivable and the unearned lease income. Unearned income is the amount by which the total lease receivable exceeds the cost of the property. Unearned interest income will be recognized as revenue ratably over the life of the lease using the effective interest method which applies a constant rate of interest equal to the internal rate of return on the lease. Lease agreements include additional rent for repairs and maintenance of properties. The Foundation considers these amounts to be non-lease components that are recognized separately as rental income on the accompanying consolidated statements of activities.

The Board of Regents of the University System of Georgia (“Board of Regents”) is the lessee for all of the Foundation’s sales-type leases. Lease receivables are reviewed for collectability, and reserves for uncollected amounts are established when needed.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Land: Land is recorded at cost. Long-lived assets are reviewed for possible impairments whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. No impairment charges were recognized on long-lived assets for the years ended June 30, 2024 and 2023.

Loan and Bond Issuance Costs: Debt issuance costs are recorded as direct reduction to the related debt liability on the consolidated statements of financial position and amortized using the effective interest method over the term of the related debt. Amortization expense of the debt issuance costs is reported as interest expense on the consolidated statements of activities (see Note 5).

Bond Premiums and Discounts: Bond premiums and discounts are presented as increases or decreases of the face amount of bonds payable, respectively, and are amortized over the term of the debt using the effective interest method.

Donated Goods and Services: Contributions of professional services are recognized when received, to the extent that the fair value of the services can be determined, generally the current market rate for the professional services, if such services: (a) enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. The estimated value of donated services of \$205,654 and \$200,299 were recognized in the consolidated statements of activities for the years ended June 30, 2024 and 2023, respectively, which consisted of salaries of the College employees who worked on Foundation matters. Additionally, office space for the Foundation is provided at no cost to the Foundation; no amount for this benefit has been recognized in the consolidated statements of activities.

Contributions of non-cash assets are recognized at the estimated fair value at the date of donation. There were no significant contributions of non-cash assets recognized for the years ended June 30, 2024 and 2023.

Income Taxes: The Foundation is a qualifying, nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code; therefore, it is exempt from federal and state income taxes. Interest and penalties related to income taxes are expensed as incurred. There were no such interest and penalties charged to expense for the years ended June 30, 2024 and 2023.

GAAP provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the Foundation's financial statements.

Management has evaluated the implications of these standards and has not identified any uncertain tax positions for the Foundation; therefore, no tax expense or accruals are included in the accompanying consolidated financial statements.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain amounts in the June 30, 2023 consolidated financial statements have been reclassified to conform to the presentation utilized at June 30, 2024. These reclassifications have no impact on previously reported financial position, changes in net assets, or cash flows.

NOTE 2 – INVESTMENTS

Investments at fair value are comprised of the following as of June 30:

	2024	2023
Truist pooled funds	\$ 11,011,623	\$ 9,868,228
CFNEG pooled funds	26,505	23,914
U.S. Treasury bonds	4,062,744	4,087,985
	<u>\$ 15,100,872</u>	<u>\$ 13,980,127</u>

For pooled funds, investment fees are directly charged to the underlying investment funds within the pool; therefore, these fees are reflected as a reduction of the return on investments in the accompanying consolidated statements of activities. For the years ended June 30, 2024 and 2023, amounts paid in support fees to CFNEG and Truist for managing these pooled investments and assisting with other program activities were insignificant.

NOTE 3 – PLEDGES RECEIVABLE

Unconditional promises to give are as follows as of June 30:

	2024	2023
Receivable in less than one year	\$ 1,059,793	\$ 924,453
One to five years	1,495,859	178,338
Thereafter	25,000	50,000
Total pledges receivable	2,580,652	1,152,791
Less: discount on pledges receivable	(243,000)	(90,000)
Less: allowance for doubtful accounts	(64,973)	(32,432)
Pledges receivable, net	<u>\$ 2,272,679</u>	<u>\$ 1,030,359</u>

One donor represented 88% of net pledges receivable at June 30, 2024 and one donor represented 24% of net pledges receivable as of June 30, 2023. Donor development and fund-raising expenses totaled approximately \$63,100 and \$82,400 for the years ended June 30, 2024 and 2023, respectively.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

NOTE 4 – INVESTMENT IN SALES-TYPE LEASES

For the years ended June 30, 2024 and 2023, the Foundation had sales-type leases related to properties held by Parking, Student Housing, Student Center, Athletic Fields, and leased to the Board of Regents for the use of the College.

The leases for these properties are considered sales-type based on the present value of the lease payments exceeding the fair value of the leased assets and most leases either include a transfer of ownership clause or transfer to the Board of Regents is reasonably certain at the end of the lease term.

In December 2022 and April 2023, the remaining principal balances on the bonds payable associated with the Student Success Center and the Student Recreation Center leases was paid by the College, respectively (see Note 5), and an amendment to the leases was executed which terminated the leases. The Foundation recorded a combined loss on lease termination of \$705,232 and granted the properties to the Board of Regents in December 2022 and April 2023, respectively.

The Parking lease has annual renewal options through the year ended June 30, 2032. The Student Housing and Student Center leases have annual renewal options through the year ended June 30, 2040. The Varsity Athletic Complex has annual renewal options through the year ended June 30, 2042.

Investment in sales-type leases consists of the following as of June 30:

	2024	2023
Future minimum lease receipts:		
Parking Deck	\$ 8,400,035	\$ 9,458,689
Student Housing	111,202,415	117,848,798
Student Center	34,763,288	36,968,821
Varsity Athletic Complex	19,581,343	20,668,333
Gross investment in sales-type leases	173,947,081	184,944,641
Less: unearned interest income	(49,688,310)	(55,375,612)
Investment in sales-type leases, net	<u>\$ 124,258,771</u>	<u>\$ 129,569,029</u>

There was no allowance for doubtful accounts established for sales-type leases as of June 30, 2024 and 2023.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Future minimum sales-type lease receipts are as follows for the years ending June 30:

2025	\$ 11,179,309
2026	11,315,795
2027	11,317,116
2028	11,312,601
2029	11,311,668
Thereafter	117,510,592
	<u>\$ 173,947,081</u>

NOTE 5 – NOTES AND BONDS PAYABLE

Notes and bonds payable consist of the following as of June 30:

	2024	2023
Parking - bond payable	\$ 6,510,000	\$ 7,180,000
Student Housing - bond payable	77,040,000	79,430,000
Student Center - bond payable	24,450,000	25,360,000
Athletic Fields - bonds payable	13,255,000	13,720,000
Total debt outstanding	121,255,000	125,690,000
Less: bond issuance costs	(652,049)	(717,080)
Net bond premium	8,657,193	9,840,406
Notes and bonds payable, net	<u>\$ 129,260,144</u>	<u>\$ 134,813,326</u>

Parking Bonds Payable: In June 2007, GGC Real Estate Parking I LLC Revenue Bonds were issued to finance the acquisition, construction, renovation, and equipage of facilities for teaching, recreation, and parking for the College and its students. Under a Trust Indenture, dated May 1, 2018, between the Joint Development Authority of DeKalb County, Newton County, and Gwinnett County and a commercial bank, Refunding Revenue Bonds (GGC Real Estate Parking I LLC Revenue Bonds, Series 2018 (“Series 2018 Bonds”)) totaling \$20,990,000 were issued at a premium amount totaling \$23,895,822 for the purpose of advance refunding of the 2007 Parking Bonds.

The Series 2018 Bonds were issued as serial and term bonds which bear interest at a fixed annual rate of 5.0% and payable semi-annually beginning in December 2018. The Series 2018 Bonds will mature in June 2032 subject to mandatory and optional redemption provisions. The Series 2018 Bonds have required graduating principal payments ranging from \$1,050,000 to \$2,020,000 due annually beginning in June 2018 and maturing in June 2032.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The outstanding principal balance for the Series 2018 Bonds totaled \$6,510,000 and \$7,180,000 as of June 30, 2024 and 2023, respectively. The net bond premium for the Series 2018 Bonds totaled \$448,397 and \$562,352 as of June 30, 2024 and 2023, respectively.

The Series 2018 Bonds are secured by certain land and property and the assignment of certain rents and leases (the Student Success Center, Student Recreation Center, and Parking Deck Leases described in Note 4).

In December 2022, the College placed into escrow approximately \$4,900,000 in order to advance refund and legally defease the bonds associated with the Student Success Center. As a result, the portion of the Series 2018 Bonds related to the Student Success Center are no longer outstanding at June 30, 2023. In conjunction with the bond defeasance, an amendment to the related lease was executed in fiscal year 2023 to terminate all future lease payments for this building between the College and Parking.

In April 2023, the College placed into escrow approximately \$3,900,000 in order to advance refund and legally defease the bonds associated with the Student Recreation Center. As a result, the Series 2018 Bonds related to the Student Recreation Center are no longer outstanding at June 30, 2023. In conjunction with the bond defeasance, an amendment to the related lease was executed in fiscal year 2023 to terminate all future lease payments for this building between the College and Parking.

Parking granted the related properties to the Board of Regents and recorded a combined loss on lease modification of \$705,232 in conjunction with these transactions during fiscal year 2023 (see Note 4).

Student Housing Bonds Payable: In May 2009, GGC Foundation I LLC Revenue Bonds were issued to finance the acquisition, construction, and equipage of student housing and parking facilities for the College and its students. Under a Trust Indenture, dated May 1, 2017, between the Development Authority of Gwinnett County and a commercial bank, Refunding Revenue Bonds (“Georgia Gwinnett College Student Housing Project”), Series 2017A (“2017A Student Housing Bonds”) totaling \$90,250,000 were issued at a premium amount totaling \$104,121,810 for the purpose of advance refunding of the 2009 Student Housing Bonds.

The 2017A Student Housing Bonds were issued as serial and term bonds which bear interest at fixed annual rates of 2.0% through July 1, 2017, and 5.0% in all years subsequent to that date. Interest on the 2017A Student Housing Bonds is paid semi-annually beginning in July 2017.

The 2017A Student Housing Bonds have required graduating principal payments ranging from \$375,000 to \$6,300,000 due annually beginning in July 2017 and maturing in July 2040. The bonds maturing on or after July 2028 are redeemable at the Foundation’s option, in whole or in part, at various redemption prices on any interest payment date. The outstanding principal balance for the 2017A Student Housing Bonds totaled \$77,040,000 and \$79,430,000 as of June 30, 2024 and 2023, respectively. The net bond premium for the 2017A Student Housing Bonds totaled \$6,525,337 and \$7,359,366 as of June 30, 2024 and 2023, respectively.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The 2017A Student Housing Bonds are secured by certain land and property and the assignment of certain rents and leases (the Student Housing Leases described in Note 4).

Student Center Bonds Payable: In August 2009, GGC Student Center, LLC Project Revenue Bonds were issued to finance the construction and equipage of a Student Center and related amenities for the benefit of the College and its students. Under a Trust Indenture, dated May 1, 2017, between the Development Authority of Gwinnett County and a commercial bank, Refunding Revenue Bonds (“Georgia Gwinnett College Student Center Project”), Series 2017B (“2017B Student Center Bonds”) totaling \$28,725,000 were issued at a premium amount totaling \$32,416,992 for the purpose of advance refunding of the 2009 Student Center Bonds.

The 2017B Student Center Bonds were issued as serial and term bonds which bear interest at fixed annual rates ranging from 2.0% to 5.0% and payable semi-annually beginning in July 2017.

The 2017B Student Center Bonds have required graduating principal payments ranging from \$125,000 to \$1,960,000 due annually beginning in July 2017 and maturing in July 2040. The bonds maturing on or after July 2028 are redeemable at the Foundation’s option, in whole or in part, at various redemption prices on any interest payment date.

The outstanding principal balance for the 2017B Student Center Bonds totaled \$24,450,000 and \$25,360,000 as of June 30, 2024 and 2023, respectively. The net bond premium on 2017B Student Center Bonds totaled \$1,535,276 and \$1,766,033 as of June 30, 2024 and 2023, respectively.

The 2017B Student Center Bonds are secured by certain land and property and the assignment of certain rents and leases (the Student Center Leases described in Note 4).

Athletic Fields Bonds Payable: Under a Trust Indenture, dated June 1, 2012, between Joint Development Authority of DeKalb County, Newton County, and Gwinnett County (“Athletic Fields Issuer”) and a commercial bank (“Athletic Fields Trustee”), GGCF Athletic Fields, LLC Project Revenue Bonds, Series 2012A (“Tax-Exempt Bonds”) totaling \$15,010,000 were issued with a net premium resulting in proceeds totaling \$15,330,592. Proceeds were issued on June 8, 2012, to finance the construction and equipage of the VAC.

The Tax-Exempt Bonds were issued as serial and term bonds which bear interest at fixed annual rates ranging from 3% to 5%. Interest is paid semi-annually beginning January 2013 in accordance with the bond indenture.

The Tax-Exempt Bonds have required graduating principal payments ranging from \$415,000 to \$1,005,000 due annually beginning in July 2020 and maturing in July 2042. The Tax-Exempt Bonds maturing on or after July 2023 are redeemable at the Foundation’s option, in whole or in part, on any date at various redemption prices.

The outstanding principal balance for the Athletic Field Bonds totaled \$13,255,000 and \$13,720,000 as of June 30, 2024 and 2023, respectively. The net bond premium for the Athletic Field Bonds totaled \$148,183 and \$152,655 as of June 30, 2024 and 2023, respectively.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The bonds are secured by certain land and property and the assignment of certain rents and leases (the Athletic Fields Leases described in Note 4).

Minimum principal payments, exclusive of unamortized discounts, are as follows for the years ending June 30:

2025	\$ 4,870,000
2026	5,285,000
2027	5,670,000
2028	5,955,000
2029	6,225,000
Thereafter	93,250,000
	<u>\$ 121,255,000</u>

Interest expense consisted of the following for the years ending June 30:

	2024	2023
Interest expense on bonds and notes payable	\$ 5,923,665	\$ 6,392,759
Amortization of bond premium	(1,183,213)	(1,335,215)
Amortization of debt issuance costs	65,031	76,553
Total interest expense	<u>\$ 4,805,483</u>	<u>\$ 5,134,097</u>

Under the terms of the bond and note agreements, Parking, Student Housing, Student Center, and Athletic Fields are required to maintain certain debt service coverage ratios. For the years ended June 30, 2024 and 2023, all entities were in compliance with these requirements.

The Foundation is required to deposit all revenues generated from the Parking, Student Housing, Student Center, and Athletic Fields Leases in reserve funds to cover principal payments, debt service requirements, and repairs and maintenance for the property and to segregate all bond proceeds into separate bank accounts. As of June 30, 2024 and 2023, the Foundation held \$13,267,887 and \$13,205,232, respectively, of cash and investments restricted for these purposes.

Debt and Bond Issuance Costs: Debt and bond issuance costs, net of amortization expense, are shown as a direct deduction to notes and bonds payable on the consolidated statements of financial position and total \$652,049 and \$717,080 as of June 30, 2024 and 2023, respectively. Amortization expense of debt issuance costs totaled \$65,031 and \$76,553 for the years ended June 30, 2024 and 2023, respectively, and is included in interest expense on the accompanying consolidated statements of activities.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

NOTE 6 – RISKS AND UNCERTAINTIES

The Foundation is periodically subject to claims that arise in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of all these matters will not have a material adverse effect on the consolidated financial position of the Foundation.

NOTE 7 – FAIR VALUE MEASUREMENTS

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Foundation discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The guidance establishes three levels of fair value as follows:

Level 1 — Valuation is based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical investments.

Level 2 — Valuation is based on inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 — Valuation is based on unobservable inputs as they trade infrequently or not at all.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

When available, the Foundation uses unadjusted quoted market prices to determine the fair value of investment securities, and they are included in Level 1. When quoted market prices are unobservable, the Foundation uses other observable inputs including quoted market prices from either markets that are not active or similar assets of active markets, market interest rate curves, and credit spreads, where applicable. These investments are included in Level 2 and primarily consist of government notes or bonds and repurchase agreements.

Valuation of pooled investments are based on the Foundation's NAV within each fund as a practical expedient. These investments are not classified in the fair value hierarchy, but the amounts are included in this table to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Assets measured at fair value are summarized below as of June 30, 2024:

	Level 1	Level 2	Level 3	NAV	Total
Investments - pooled funds	\$ -	\$ -	\$ -	\$ 11,038,128	\$ 11,038,128
Investments - restricted	-	4,062,744	-	-	4,062,744
Total	<u>\$ -</u>	<u>\$ 4,062,744</u>	<u>\$ -</u>	<u>\$ 11,038,128</u>	<u>\$ 15,100,872</u>

Assets measured at fair value are summarized below as of June 30, 2023:

	Level 1	Level 2	Level 3	NAV	Total
Investments - pooled funds	\$ -	\$ -	\$ -	\$ 9,892,142	\$ 9,892,142
Investments - restricted	-	4,087,985	-	-	4,087,985
Total	<u>\$ -</u>	<u>\$ 4,087,985</u>	<u>\$ -</u>	<u>\$ 9,892,142</u>	<u>\$ 13,980,127</u>

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are designated for the following purposes as of June 30, 2024:

Goizueta Foundation Grant	\$ 2,000,000
Stephens Scholarship	1,164,965
Daniel J Kaufman Scholarship	418,096
Gateway Center	312,489
Peach State Federal Credit Union Scholarship	256,989
Linda Shumate Scholarship	250,000
Georgia Banking Company Endowed Scholarship	245,000
Business School	233,435
Strickland Scholarship	196,938
Boutwell Veterans Scholarship	150,955
Georgia Banking Company Scholarship	142,709
Lee Boutwell Book Scholarship	126,712
Glenn White Scholarship	125,432
Grizzley Athletic Fund	113,756
Carl White Scholarship	107,586
Other scholarships	1,272,623
Other net assets with donor restrictions	<u>526,370</u>
Total	<u>\$ 7,644,055</u>

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Net assets with donor restrictions are designated for the following purposes as of June 30, 2023:

Stephens scholarship	\$ 1,051,048
Gateway Center Restricted Fund	906,864
Kaufman scholarship	383,445
Peach State Federal Credit Union scholarship	256,961
GBHCW grant	125,600
Shumate scholarship	250,000
Non Profit Internship Program Restricted Fund	160,286
Boutwell Veterans scholarship	139,440
Business School Restricted Fund	147,980
Lee Boutwell Book scholarship	115,800
Glenn White scholarship	110,315
Other scholarships	1,147,520
Other net assets with donor restrictions	859,827
Total	<u>\$ 5,655,086</u>

Net assets released from restrictions totaled \$1,030,586 and \$915,279 for the years ended June 30, 2024 and 2023, respectively, and were released to provide grants, scholarships, and other educational support to the College and its students.

NOTE 9 – ENDOWMENTS

The Foundation's endowments consist of individual funds established for scholarship purposes and include both board-designated and individual donor-restricted endowment funds. The net assets associated with donor-restricted funds are classified and reported based on the existence or absence of donor-imposed restrictions. The net assets associated with board-designated funds are classified and reported as net assets without restriction.

Interpretation of Relevant Law: The Board of Trustees of the Foundation has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2008 ("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 restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

- (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

It is policy of the Foundation that funds invested for less than one full fiscal year are prohibited from spending to allow the accumulation of earnings to fund future spending. Only the dividends, interest, or capital gains earned by the endowment funds can be used to fund the total spending budget; at no time will the endowed gifts (or corpus) of the Fund be invaded to fund expenditures. As a general principal, spending from the funds held by the Foundation should be in the range of 4–5% of each fund's balance. Distributions from some accounts such as endowments and accounts that are building to a specific asset level may not occur for a number of years.

Endowment Investment Policy: The Foundation's return objective for endowment assets is to preserve the principal of the endowed funds as well as provide funding to programs supported by the endowment. The goal is to produce an annualized total return that equals, and if possible, exceeds inflation (as measured by CPI) plus the Foundation's long-term spending allocation rate. To achieve its return objectives, the Foundation employs a total return strategy where investment returns are generated through capital appreciation (realized and unrealized) and current yield (interest and dividends).

The endowment composition, changes, and net asset classifications are as follows for the year ended June 30, 2024:

	Without Restrictions	With Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 3,706,515	\$ 3,706,515
Board-designated endowment funds	4,076,924	-	4,076,924
Total funds	<u>\$ 4,076,924</u>	<u>\$ 3,706,515</u>	<u>\$ 7,783,439</u>

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

	Without Restrictions	With Restrictions	Total
Endowment net assets, beginning of year	\$ 3,579,439	\$ 3,115,268	\$ 6,694,707
Contributions	-	286,090	286,090
Board designations	116,502	-	116,502
Unrealized gains on investments	521,819	431,961	953,780
Reinvestment and management fees	(28,337)	(43,941)	(72,278)
Released from restriction	(112,499)	(82,863)	(195,362)
Endowment net assets, end of year	<u>\$ 4,076,924</u>	<u>\$ 3,706,515</u>	<u>\$ 7,783,439</u>

The endowment composition, changes, and net asset classifications are as follows for the year ended June 30, 2023:

	Without Restrictions	With Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 3,115,268	\$ 3,115,268
Board-designated endowment funds	3,579,439	-	3,579,439
Total funds	<u>\$ 3,579,439</u>	<u>\$ 3,115,268</u>	<u>\$ 6,694,707</u>

	Without Restrictions	With Restrictions	Total
Endowment net assets, beginning of year	\$ 3,019,128	\$ 2,840,630	\$ 5,859,758
Contributions	-	145,121	145,121
Board designations	341,687	-	341,687
Unrealized gains on investments	317,875	255,470	573,345
Reinvestment and management fees	(21,420)	(36,132)	(57,552)
Released from restriction	(77,831)	(89,821)	(167,652)
Endowment net assets, end of year	<u>\$ 3,579,439</u>	<u>\$ 3,115,268</u>	<u>\$ 6,694,707</u>

Funds with Deficiencies: Occasionally, the fair value of assets associated with individual 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 that are reported in net assets with donor restrictions were insignificant for the years ended June 30, 2024 and 2023.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

NOTE 10 – SCHEDULE OF FUNCTIONAL EXPENSES

Certain categories of operating expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. General operating costs across all natural categories are allocated on the basis of estimates of time and effort.

These expenses are summarized on a functional basis below for the year ended June 30, 2024:

	Program				Supporting	Total
	Student Scholarships	Student Activities	Institutional Support	Real Estate Activities	Management and General	
Interest	\$ -	\$ -	\$ -	\$ 4,805,939	\$ -	\$ 4,805,939
Grants and scholarships	477,381	25,000	245,405	-	-	747,786
Repairs and maintenance	-	-	924	513,966	-	514,890
Compensation and stipends	-	132,041	72,787	-	205,654	410,482
Travel and conferences	-	-	9,709	-	11,811	21,520
Professional fees	-	-	-	-	109,358	109,358
Events	-	54,471	74,839	-	71,700	201,010
Meetings	-	2,986	12,639	-	34,093	49,718
Sponsorship and promotions	-	-	99	-	46,015	46,114
Supplies and office expenses	-	5,294	6,500	-	20,217	32,011
Dues and memberships	-	-	7,977	-	14,294	22,271
Other expenses	-	11,723	12,970	-	37,338	62,031
Total expenses	<u>\$ 477,381</u>	<u>\$ 231,515</u>	<u>\$ 443,849</u>	<u>\$ 5,319,905</u>	<u>\$ 550,480</u>	<u>\$ 7,023,130</u>

These expenses are summarized on a functional basis below for the year ended June 30, 2023:

	Program				Supporting	Total
	Student Scholarships	Student Activities	Institutional Support	Real Estate Activities	Management and General	
Interest	\$ -	\$ -	\$ -	\$ 5,134,097	\$ -	\$ 5,134,097
Grants and scholarships	524,976	7,688	35,185	-	-	567,849
Repairs and maintenance	-	-	-	1,700,366	-	1,700,366
Compensation and stipends	-	122,699	34,120	-	200,299	357,118
Travel and conferences	-	-	31,944	-	10,299	42,243
Professional fees	-	6,220	-	-	114,031	120,251
Events	-	74,001	63,940	-	70,192	208,133
Meetings	-	7,211	12,637	-	47,629	67,477
Sponsorship and promotions	-	-	-	-	45,810	45,810
Supplies and office expenses	-	23,551	12,691	-	21,677	57,919
Dues and memberships	-	130	15,132	-	17,430	32,692
Other expenses	-	52,429	12,031	-	58,706	123,166
Total expenses	<u>\$ 524,976</u>	<u>\$ 293,929</u>	<u>\$ 217,680</u>	<u>\$ 6,834,463</u>	<u>\$ 586,073</u>	<u>\$ 8,457,121</u>

Georgia Gwinnett College Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

NOTE 11 – AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The Foundation is substantially supported by contributions with and without donor restrictions and by collections on sales-type leases from the College. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Foundation considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation's financial assets as of June 30, 2024 and 2023 which are available within the next twelve months to satisfy general expenditures and liabilities are as follows:

	2024	2023
Financial assets at year end:		
Cash and restricted cash	\$ 11,158,245	\$ 10,821,460
Investments	11,038,128	9,892,142
Investments - restricted	4,062,744	4,087,985
Pledges receivable, net	2,272,679	1,030,359
Other receivables	71,313	27,688
Investments in sales-type leases, net	124,258,771	129,569,029
Total financial assets	152,861,880	155,428,663
Less amounts not available within one year:		
Donor-restricted cash for endowment	(617,487)	(496,783)
Investments restricted for endowment	(4,790,893)	(4,143,951)
Investments restricted for bonds	(4,062,744)	(4,087,985)
Pledges receivable, net - more than one year	(1,323,118)	(179,523)
Sales-type leases collections - more than one year	(162,767,772)	(173,946,581)
Unearned interest income	49,688,310	55,375,612
Total amounts not available to be used within one year	(123,873,704)	(127,479,211)
Financial assets available to meet general expenditures over the next twelve months	\$ 28,988,176	\$ 27,949,452

NOTE 12 – SUBSEQUENT EVENTS

The Foundation has evaluated events occurring after June 30, 2024 through September 5, 2024, the date on which the consolidated financial statements were available to be issued. No significant events occurred subsequent to the statement of financial position date but prior to issuance that would have a material impact on the consolidated financial statements or disclosures.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Trustees
Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Lawrenceville, Georgia

We have audited the consolidated financial statements of Georgia Gwinnett College Foundation, Inc. and Subsidiaries as of and for the years ended June 30, 2024 and 2023, and our report thereon dated September 5, 2024, which contained an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and statements of activities and changes in net assets are presented for purposes of additional analysis and they 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 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 on pages 26 - 29 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "MSTiller LLC".

Duluth, Georgia
September 5, 2024

Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Supplemental Information - Consolidating Statement of Financial Position
June 30, 2024

	Georgia Gwinnett College Foundation, Inc.	GGC Real Estate Parking I, LLC	GGC Foundation, LLC	GGC Student Center, LLC	GGCF Athletic Fields, LLC	Eliminations	Consolidated
Assets							
Assets							
Cash	\$ 1,578,534	\$ 76,674	\$ 108,408	\$ 92,999	\$ 96,487	\$ -	\$ 1,953,102
Restricted cash	-	392,829	5,676,704	2,044,341	1,091,269	-	9,205,143
Investments	8,402,441	370,000	1,664,000	261,000	340,687	-	11,038,128
Investments - restricted	-	535,755	1,757,248	1,093,892	675,849	-	4,062,744
Pledges receivable, net	2,272,679	-	-	-	-	-	2,272,679
Due from related party - College	48,984	-	-	-	14,574	-	63,558
Due from affiliates	266,000	-	32,732	-	-	(298,732)	-
Interest income receivable	-	-	-	-	7,755	-	7,755
Investment in sales-type leases, net	-	6,869,665	77,998,208	26,604,194	12,786,704	-	124,258,771
Land	-	-	8,262,388	-	-	-	8,262,388
Other assets	-	-	-	-	8,114	-	8,114
Total assets	<u>\$ 12,568,638</u>	<u>\$ 8,244,923</u>	<u>\$ 95,499,688</u>	<u>\$ 30,096,426</u>	<u>\$ 15,021,439</u>	<u>\$ (298,732)</u>	<u>\$ 161,132,382</u>
Liabilities and Net Assets							
Liabilities							
Accounts payable	\$ 16,003	\$ -	\$ -	\$ -	\$ 261	\$ -	\$ 16,264
Due to related party - College	37,644	-	-	-	-	-	37,644
Interest expense payable	-	27,125	1,926,000	572,734	284,994	-	2,810,853
Due to affiliates	32,732	266,000	-	-	-	(298,732)	-
Notes and bonds payable, net	-	6,908,463	83,332,937	25,881,443	13,137,301	-	129,260,144
Total liabilities	86,379	7,201,588	85,258,937	26,454,177	13,422,556	(298,732)	132,124,905
Net Assets							
Without donor restrictions	2,032,967	673,335	9,626,751	3,381,249	1,572,196	-	17,286,498
Without donor restrictions - board designated	2,805,237	370,000	614,000	261,000	26,687	-	4,076,924
With donor restrictions	7,644,055	-	-	-	-	-	7,644,055
Total net assets	<u>12,482,259</u>	<u>1,043,335</u>	<u>10,240,751</u>	<u>3,642,249</u>	<u>1,598,883</u>	<u>-</u>	<u>29,007,477</u>
Total liabilities and net assets	<u>\$ 12,568,638</u>	<u>\$ 8,244,923</u>	<u>\$ 95,499,688</u>	<u>\$ 30,096,426</u>	<u>\$ 15,021,439</u>	<u>\$ (298,732)</u>	<u>\$ 161,132,382</u>

See accompanying auditors' report on supplemental information.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Supplemental Information - Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	Georgia Gwinnett College Foundation, Inc.	GGC Real Estate Parking I, LLC	GGC Foundation, LLC	GGC Student Center, LLC	GGCF Athletic Fields, LLC	Eliminations	Consolidated
Support and Revenue							
Contributions of cash and other financial assets - without donor restrictions	\$ 161,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,712
Contributions of nonfinancial assets - without donor restrictions	215,436	-	-	-	-	-	215,436
Contributions of cash and other financial assets - with donor restrictions	2,701,771	-	-	-	-	-	2,701,771
Uncollectible pledges	(33,589)	-	-	-	-	-	(33,589)
Rental income	-	80,236	359,459	78,058	65,012	-	582,765
Income from investment in sales-type leases	-	365,556	3,707,658	955,485	658,604	-	5,687,303
Interest and dividend income	290,115	30,689	131,262	59,323	30,698	-	542,087
Net realized and unrealized gains on investments	818,274	16,793	55,516	34,220	33,237	-	958,040
Other income	47,971	-	-	-	20,401	-	68,372
Management fee income	157,317	-	-	-	-	(157,317)	-
Total support and revenue	4,359,007	493,274	4,253,895	1,127,086	807,952	(157,317)	10,883,897
Operating Expenses							
College events	110	-	-	-	-	-	110
Program and administrative	570,611	-	-	-	-	-	570,611
Grants and scholarships	1,078,010	-	-	-	-	-	1,078,010
Total operating expenses	1,648,731	-	-	-	-	-	1,648,731
Occupancy Expenses							
Interest	-	254,195	3,044,225	926,707	580,356	-	4,805,483
Professional fees	-	9,450	26,078	12,036	5,402	-	52,966
Management fee expense	-	27,317	50,000	50,000	30,000	(157,317)	-
Repairs and maintenance	-	-	378,271	135,675	20	-	513,966
Other occupancy expenses	-	-	-	-	1,984	-	1,984
Total occupancy expenses	-	290,962	3,498,574	1,124,418	617,762	(157,317)	5,374,399
Total expenses	1,648,731	290,962	3,498,574	1,124,418	617,762	(157,317)	7,023,130
Change in Net Assets	2,710,276	202,312	755,321	2,668	190,190	-	3,860,767
Net Assets, June 30, 2023	9,771,983	841,023	9,485,430	3,639,581	1,408,693	-	25,146,710
Net Assets, June 30, 2024	<u>\$ 12,482,259</u>	<u>\$ 1,043,335</u>	<u>\$ 10,240,751</u>	<u>\$ 3,642,249</u>	<u>\$ 1,598,883</u>	<u>\$ -</u>	<u>\$ 29,007,477</u>

See accompanying auditors' report on supplemental information.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Supplemental Information - Consolidating Statement of Financial Position
June 30, 2023

	Georgia Gwinnett College Foundation, Inc.	GGC Real Estate Parking I, LLC	GGC Foundation, LLC	GGC Student Center, LLC	GGCF Athletic Fields, LLC	Eliminations	Consolidated
Assets							
Assets							
Cash	\$ 1,417,605	\$ 72,416	\$ 95,105	\$ 84,969	\$ 34,118	\$ -	\$ 1,704,213
Restricted cash	-	275,135	6,023,000	1,835,872	983,240	-	9,117,247
Investments	7,256,455	370,000	1,664,000	261,000	340,687	-	9,892,142
Investments - restricted	-	537,101	1,646,395	1,209,185	695,304	-	4,087,985
Pledges receivable, net	1,030,359	-	-	-	-	-	1,030,359
Due from related party - College	2,135	-	-	-	17,842	-	19,977
Due from affiliates	266,000	-	32,732	-	-	(298,732)	-
Interest income receivable	-	-	-	-	7,711	-	7,711
Investment in sales-type leases, net	-	7,562,764	80,936,933	27,854,242	13,215,090	-	129,569,029
Land	-	-	8,262,388	-	-	-	8,262,388
Other assets	-	-	-	-	8,571	-	8,571
Total assets	<u>\$ 9,972,554</u>	<u>\$ 8,817,416</u>	<u>\$ 98,660,553</u>	<u>\$ 31,245,268</u>	<u>\$ 15,302,563</u>	<u>\$ (298,732)</u>	<u>\$ 163,699,622</u>
Liabilities and Net Assets							
Liabilities							
Accounts payable	\$ 32,138	\$ -	\$ 658,660	\$ -	\$ 9,967	\$ -	\$ 700,765
Due to related party - College	135,701	-	-	-	-	-	135,701
Interest expense payable	-	29,917	1,985,751	595,482	291,970	-	2,903,120
Due to affiliates	32,732	266,000	-	-	-	(298,732)	-
Notes and bonds payable, net	-	7,680,476	86,530,712	27,010,205	13,591,933	-	134,813,326
Total liabilities	200,571	7,976,393	89,175,123	27,605,687	13,893,870	(298,732)	138,552,912
Net Assets							
Without donor restrictions	1,809,145	471,023	8,871,430	3,378,581	1,382,006	-	15,912,185
Without donor restrictions - board designated	2,307,752	370,000	614,000	261,000	26,687	-	3,579,439
With donor restrictions	5,655,086	-	-	-	-	-	5,655,086
Total net assets	9,771,983	841,023	9,485,430	3,639,581	1,408,693	-	25,146,710
Total liabilities and net assets	<u>\$ 9,972,554</u>	<u>\$ 8,817,416</u>	<u>\$ 98,660,553</u>	<u>\$ 31,245,268</u>	<u>\$ 15,302,563</u>	<u>\$ (298,732)</u>	<u>\$ 163,699,622</u>

See accompanying auditors' report on supplemental information.

Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Supplemental Information - Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2023

	Georgia Gwinnett College Foundation, Inc.	GGC Real Estate Parking I, LLC	GGC Foundation, LLC	GGC Student Center, LLC	GGCF Athletic Fields, LLC	Eliminations	Consolidated
Support and Revenue							
Contributions of cash and other financial assets - without donor restrictions	\$ 189,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,757
Contributions of nonfinancial assets - without donor restrictions	228,674	-	-	-	-	-	228,674
Contributions of cash and other financial assets - with donor restrictions	1,024,988	-	-	-	-	-	1,024,988
Uncollectible pledges	(39,821)	-	-	-	-	-	(39,821)
Rental income	-	121,717	787,906	75,784	460,118	-	1,445,525
Income from investment in sales-type leases	-	600,262	3,832,463	996,859	679,303	-	6,108,887
Interest and dividend income	244,383	30,763	97,185	41,026	29,480	-	442,837
Net realized and unrealized gains on investments	394,961	(5,788)	(19,908)	(12,464)	1,494	-	358,295
Loss on lease termination	-	(705,232)	-	-	-	-	(705,232)
Other income	37,649	-	-	-	31,015	-	68,664
Management fee income	180,000	-	-	-	-	(180,000)	-
Total support and revenue	2,260,591	41,722	4,697,646	1,101,205	1,201,410	(180,000)	9,122,574
Operating Expenses							
College events	3,991	-	-	-	-	-	3,991
Program and administrative	564,537	-	-	-	-	-	564,537
Grants and scholarships	987,106	-	-	-	-	-	987,106
Total operating expenses	1,555,634	-	-	-	-	-	1,555,634
Occupancy Expenses							
Interest	-	464,079	3,121,150	953,186	595,682	-	5,134,097
Professional fees	-	12,518	26,078	12,036	8,533	-	59,165
Management fee expense	-	50,000	50,000	50,000	30,000	(180,000)	-
Repairs and maintenance	-	27,987	1,060,365	-	611,557	-	1,699,909
Other occupancy expenses	-	-	-	-	8,316	-	8,316
Total occupancy expenses	-	554,584	4,257,593	1,015,222	1,254,088	(180,000)	6,901,487
Total expenses	1,555,634	554,584	4,257,593	1,015,222	1,254,088	(180,000)	8,457,121
Change in Net Assets	704,957	(512,862)	440,053	85,983	(52,678)	-	665,453
Transfers	446,750	(446,750)	-	-	-	-	-
Change in Net Assets, After Transfers	1,151,707	(959,612)	440,053	85,983	(52,678)	-	665,453
Net Assets, June 30, 2022	8,620,276	1,800,635	9,045,377	3,553,598	1,461,371	-	24,481,257
Net Assets, June 30, 2023	\$ 9,771,983	\$ 841,023	\$ 9,485,430	\$ 3,639,581	\$ 1,408,693	\$ -	\$ 25,146,710

See accompanying auditors' report on supplemental information.