

UWG ATHLETIC FOUNDATION, INC.

FINANCIAL REPORT

JUNE 30, 2021

UWG ATHLETIC FOUNDATION, INC.

FINANCIAL REPORT JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
UWG Athletic Foundation, Inc.
Carrollton, Georgia**

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 26, 2021

UWG ATHLETIC FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash	\$ 147,537	\$ 69,507
Restricted cash	173,351	179,910
Unconditional promises to give (net of allowance of \$56,924 for 2021 and \$107,577 for 2020, respectively)	48,804	30,667
Related party receivable	1,500	-
Prepaid expenses	5,793	4,473
Investments	861,423	678,688
Total current assets	<u>1,238,408</u>	<u>963,245</u>
Unconditional promises to give, non-current (net of allowance of \$6,384 and discount of \$565 for 2021 and \$6,688 and \$487 for 2020, respectively)	<u>29,851</u>	<u>36,651</u>
Total assets	<u>\$ 1,268,259</u>	<u>\$ 999,896</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 3,386	\$ 9,322
Deferred revenue	68,780	1,986
Related party payable	-	345
Total current liabilities	<u>72,166</u>	<u>11,653</u>
Net assets:		
Without donor restrictions	95,372	73,223
With donor restrictions	1,100,721	915,020
Total net assets	<u>1,196,093</u>	<u>988,243</u>
Total liabilities and net assets	<u>\$ 1,268,259</u>	<u>\$ 999,896</u>

See Notes to Financial Statements.

UWG ATHLETIC FOUNDATION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 172,584	\$ 72,016	\$ 244,600
Contributed services and materials	240,907	1,387	242,294
Contributed salaries and benefits by the University of West Georgia	325,288	-	325,288
Athletic program revenue	7,958	4,473	12,431
Ticket sales	1,471	-	1,471
Parking revenue	1,050	-	1,050
Special event income	5,851	1,899	7,750
Fundraising event income	34,545	37,488	72,033
Investment income, net of fees	-	182,735	182,735
Net assets released from restrictions:			
Satisfaction of program restrictions	114,297	(114,297)	-
Total revenues and other support	903,951	185,701	1,089,652
EXPENSES			
Program services:			
University of West Georgia Athletic Department support	516,532	-	516,532
Scholarships	68,881	-	68,881
Total program services	585,413	-	585,413
Supporting services:			
Administration and general	181,862	-	181,862
Fundraising	114,527	-	114,527
Total supporting services	296,389	-	296,389
Total expenses	881,802	-	881,802
Change in net assets	22,149	185,701	207,850
Net assets, beginning	73,223	915,020	988,243
Net assets, ending	\$ 95,372	\$ 1,100,721	\$ 1,196,093

See Notes to Financial Statements.

UWG ATHLETIC FOUNDATION, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions	\$ 60,410	\$ 112,483	\$ 172,893
Contributed services and materials	333,857	146	334,003
Contributed salaries and benefits by the University of West Georgia	466,592	-	466,592
Athletic program revenue	121,268	-	121,268
Ticket sales	29,274	-	29,274
Parking revenue	2,395	-	2,395
Special event income	4,700	2,000	6,700
Fundraising event income	55,505	1,599	57,104
Camp income	25,508	-	25,508
Investment income, net of fees	-	(5,195)	(5,195)
Other income	19,440	-	19,440
Net assets released from restrictions:			
Satisfaction of program restrictions	373,522	(373,522)	-
Total revenues and other support	<u>1,492,471</u>	<u>(262,489)</u>	<u>1,229,982</u>
EXPENSES			
Program services:			
University of West Georgia Athletic Department support	993,026	-	993,026
Scholarships	72,000	-	72,000
Total program services	<u>1,065,026</u>	<u>-</u>	<u>1,065,026</u>
Supporting services:			
Administration and general	333,428	-	333,428
Fundraising	160,538	-	160,538
Total supporting services	<u>493,966</u>	<u>-</u>	<u>493,966</u>
Total expenses	<u>1,558,992</u>	<u>-</u>	<u>1,558,992</u>
Change in net assets	(66,521)	(262,489)	(329,010)
Net assets, beginning	<u>139,744</u>	<u>1,177,509</u>	<u>1,317,253</u>
Net assets, ending	<u>\$ 73,223</u>	<u>\$ 915,020</u>	<u>\$ 988,243</u>

See Notes to Financial Statements.

UWG ATHLETIC FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program services			Supporting services		Total
	UWG Athletic Department support	Scholarships	Total program services	Administration and general	Fundraising	
Salaries and benefits	\$ 57,278	\$ -	\$ 57,278	\$ 128,577	\$ 79,530	\$ 265,385
Team expenses	17,688	-	17,688	-	-	17,688
Rentals	3,243	-	3,243	8,458	5,152	16,853
Bad debt expense	-	-	-	5,699	-	5,699
Event expense	-	-	-	-	5,008	5,008
Bank and processing fees	-	-	-	2,939	-	2,939
Meals and entertainment	67,415	-	67,415	-	1,999	69,414
Lodging	6,359	-	6,359	-	-	6,359
Program support	252,012	-	252,012	-	-	252,012
Equipment	1,081	-	1,081	-	-	1,081
Apparel	9,946	-	9,946	-	1,364	11,310
Insurance	19,523	-	19,523	3,455	-	22,978
Membership and dues	5,316	-	5,316	-	-	5,316
Printing and reproduction	1,291	-	1,291	-	200	1,491
Professional fees	-	-	-	15,610	-	15,610
Recognition and awards	11,524	-	11,524	-	3,055	14,579
Scholarships	-	68,881	68,881	-	-	68,881
Supplies	12,007	-	12,007	16,588	17,902	46,497
Telecommunications	24,160	-	24,160	-	-	24,160
Travel	5,015	-	5,015	456	95	5,566
Repairs and maintenance	15,145	-	15,145	-	-	15,145
Marketing and promotions	29	-	29	-	-	29
Postage and shipping	676	-	676	-	-	676
Conferences and seminars	127	-	127	-	-	127
Sponsorships	100	-	100	-	-	100
Competitions	6,323	-	6,323	-	-	6,323
Miscellaneous	274	-	274	80	222	576
Total expenses	\$ 516,532	\$ 68,881	\$ 585,413	\$ 181,862	\$ 114,527	\$ 881,802

See Notes to Financial Statements.

UWG ATHLETIC FOUNDATION, INC.

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

	Program services			Supporting services		Total
	UWG Athletic Department support	Scholarships	Total program services	Administration and general	Fundraising	
Salaries and benefits	\$ 93,430	\$ -	\$ 93,430	\$ 207,906	\$ 114,354	\$ 415,690
Team expenses	49,611	-	49,611	-	-	49,611
Ticket expense	31,715	-	31,715	-	-	31,715
Rentals	186,095	-	186,095	-	-	186,095
Bad debt expense	-	-	-	76,395	-	76,395
Contract services	-	-	-	-	6,843	6,843
Event expense	7,420	-	7,420	-	5,668	13,088
Student expenses	24,192	-	24,192	-	-	24,192
Bank and processing fees	5,572	-	5,572	3,111	-	8,683
Recruiting	12,757	-	12,757	-	-	12,757
Meals and entertainment	21,751	-	21,751	-	7,149	28,900
Lodging	11,362	-	11,362	-	-	11,362
Program support	252,111	-	252,111	-	-	252,111
Equipment	16,416	-	16,416	-	1,316	17,732
Apparel	27,164	-	27,164	-	1,853	29,017
Insurance	18,444	-	18,444	-	-	18,444
Membership and dues	11,647	-	11,647	-	-	11,647
Printing and reproduction	18,330	-	18,330	-	173	18,503
Professional fees	6,884	-	6,884	14,946	-	21,830
Recognition and awards	19,214	-	19,214	-	482	19,696
Scholarships	-	72,000	72,000	-	-	72,000
Supplies	14,138	-	14,138	30,780	21,732	66,650
Telecommunications	23,681	-	23,681	-	-	23,681
Travel	112,442	-	112,442	233	435	113,110
Advertising	10,350	-	10,350	-	492	10,842
Repairs and maintenance	2,303	-	2,303	-	-	2,303
Marketing and promotions	1,265	-	1,265	-	-	1,265
Postage and shipping	628	-	628	-	41	669
Publications and subscriptions	179	-	179	-	-	179
Sponsorships	1,000	-	1,000	-	-	1,000
Competitions	12,585	-	12,585	-	-	12,585
Miscellaneous	340	-	340	57	-	397
Total expenses	\$ 993,026	\$ 72,000	\$ 1,065,026	\$ 333,428	\$ 160,538	\$ 1,558,992

See Notes to Financial Statements.

UWG ATHLETIC FOUNDATION, INC.

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

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	\$ 207,850	\$ (329,010)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for doubtful accounts	44,957	601
Change in discount on unconditional promises to give	(78)	2,341
Unrealized and realized (gains) losses on investments, net	(182,735)	105,195
Net decrease (increase) in assets:		
Unconditional promises to give	(56,216)	88,610
Related party receivable	(1,500)	-
Other current assets	-	94
Prepaid expenses	(1,320)	(4,473)
Net increase (decrease) in liabilities:		
Accounts payable	(5,936)	4,622
Related party payable	(345)	345
Deferred revenue	66,794	(83,506)
	71,471	(215,181)
Net cash provided by (used in) operating activities		
Increase (decrease) in cash	71,471	(215,181)
Cash, beginning of year	249,417	464,598
Cash, end of year	\$ 320,888	\$ 249,417
Cash	147,537	69,507
Restricted cash	173,351	179,910
	\$ 320,888	\$ 249,417

See Notes to Financial Statements.

UWG ATHLETIC FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES

UWG Athletic Foundation, Inc. (the “Foundation”) was established and incorporated as a non-profit organization in the State of Georgia in 2013 to promote the athletic programs of the University of West Georgia (the “University”) by supporting excellence in academics, community service and athletic competition.

The Foundation and the University entered into a Memorandum of Understanding on July 1, 2020, which outlined certain rights and responsibilities of each party with regards to the management and enhancement of the University’s athletic programs. The University will continue to provide personnel, facilities and administrative services to support the Foundation operations. The Foundation is responsible for the fundraising and donor support of the University’s athletic programs.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) ASC Topic 958, *Financial Statements of Not-for-Profit Organizations*. Under this standard, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restriction.

Net assets without donor restrictions consists of net assets that are not subject to donor-imposed stipulations, which are used to account for resources available to carry out the purposes of the Foundation. The principal sources of funds generated for net assets without donor restrictions are contributions and program revenues.

Net assets with donor restrictions consists of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Pledges of financial support from organizations and individuals representing an unconditional promise to pay are recognized in the financial statements once all conditions have been met. In the absence of such promise, a contribution is recognized when the gift is received.

Revenue Recognition

Event revenues are recognized when the event takes place. Ticket and parking revenues from UWG sporting events do not go through the Foundation, but are remitted directly to the University.

Cash Concentration

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

Donated Services and In-Kind Support

The Foundation receives services, space, equipment and other nonfinancial items without payment or compensation. When the value of such services and support is ascertainable and meets the criteria for recognition, it is recognized in the accompanying financial statements as revenue and expense at the estimated fair value on the date of donation. Donated services from the University represent salaries and benefits paid by the University on behalf of the Foundation. Donated services from the University totaled \$325,288 and \$466,592 for the years ended June 30, 2021 and 2020, respectively. In-kind contributions from third parties were \$242,294 and \$334,003 for the years ended June 30, 2021 and 2020, respectively. These amounts are classified throughout operating revenues and operating expenses, as applicable, on the statement of activities.

Income Tax Status

The Foundation qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly supported organization and not 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 files Form 990 in the U.S. federal jurisdiction and the State of Georgia.

Management has evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions on accounting for uncertainty in income taxes.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, contract services, event expense, meals and entertainment, equipment, apparel, insurance, professional fees, recognition and awards, and supplies, which are allocated on the basis of purpose of expenditure and estimates of time and effort.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Investments

Investments, including investments held by the Trustee, consist primarily of money market accounts, mutual funds, fixed income securities, and equity securities and are carried at fair value. Investment expenses incurred totaled \$11,005 and \$11,136 for the years ended June 30, 2021 and 2020, 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 and are included in investment income (loss) on the statement of activities.

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 financial statements.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents - The carrying amount approximates fair value because of the short-term maturity of these instruments.

Investments - Investments are carried at fair value based on quoted market prices for those or similar investments, third party pricing service for identical or similar investments, or from valuation methodologies including option pricing models, discounted cash flows and similar techniques.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the assets or liabilities, 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, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent. 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 FINANCIAL STATEMENTS

NOTE 3. LIQUIDITY AND AVAILABILITY

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

	2021	2020
Cash	\$ 147,537	\$ 67,507
Unconditional promises to give	6,283	2,417
Board designated endowment distributions and appropriations	30,132	100,000
Annual scholarship distributions and appropriations	22,500	40,500
Total	\$ 206,452	\$ 210,424

The Foundation's investments are held on its behalf by the University of West Georgia Foundation with its long-term investments Trustee, Truist (formally SunTrust) Bank, and is invested as described in Note 2. As of June 30, 2021 and 2020, the market value of these investments was \$861,423 and \$678,688, respectively. The Foundation's investments are subject to the University of West Georgia's Foundation's Investment, Spending, and Endowment Policy which allows for an annual draw to support the Foundation's operations. Although the Foundation does not intend to spend from this investment account above what has been approved, the funds could be made available if necessary.

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2021 and 2020, net assets with donor restrictions were available for the following:

	2021	2020
Subject to expenditure for specified purpose:		
Champion's Fund	\$ 928,730	\$ 728,326
Scholarship Funds	31,275	42,583
Sport-specific Funds	38,107	45,257
Stadium Improvement Funds	62,921	62,921
Other Restricted Purpose Funds	35,963	35,933
Total subject to expenditure for specified purpose:	1,096,996	915,020
Perpetual in nature:		
Scholarship Funds	3,725	-
Total	\$ 1,100,721	\$ 915,020

NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

At June 30, 2021 and 2020, net assets with donor restrictions consist of the following:

	2021	2020
Subject to expenditure for specified purpose:		
Cash	\$ 168,693	\$ 174,949
Unconditional promises to give, net	66,880	61,383
Investments	861,423	678,688
Total subject to expenditure for specified purpose:	1,096,996	915,020
Endowments (perpetual in nature):		
Cash	3,725	-
Total endowments:	3,725	-
Total net assets with donor restrictions	\$ 1,100,721	\$ 915,020

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Satisfaction of purpose restrictions:		
Champion's Fund	\$ 1,000	\$ 337,767
Scholarship Funds	38,953	7,553
Sport-specific Funds	69,902	10,080
Other Restricted Purpose Funds	4,442	18,122
Total	\$ 114,297	\$ 373,522

NOTE 5. UNCONDITIONAL PROMISES TO GIVE

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

	Without Donor Restrictions	With Donor Restrictions	Total
Receivable in less than one year	\$ 6,283	\$ 99,445	\$ 105,728
Receivable in one to five years	7,500	29,300	36,800
Total unconditional promises to give	13,783	128,745	142,528
Less discount on unconditional promises to give	(83)	(482)	(565)
Total unconditional promises to give, less discount	13,700	128,263	141,963
Less allowance for uncollectible unconditional promises to give	(1,925)	(61,383)	(63,308)
Net unconditional promises to give	\$ 11,775	\$ 66,880	\$ 78,655

NOTES TO FINANCIAL STATEMENTS

NOTE 5. UNCONDITIONAL PROMISES TO GIVE (Continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Receivable in less than one year	\$ 2,417	\$ 129,828	\$ 132,244
Receivable in one to five years	4,500	39,325	43,825
Total unconditional promises to give	6,917	169,153	176,069
Less discount on unconditional promises to give	(143)	(344)	(487)
Total unconditional promises to give, less discount	6,774	168,809	175,582
Less allowance for uncollectible unconditional promises to give	(839)	(107,426)	(108,265)
Net unconditional promises to give	\$ 5,935	\$ 61,383	\$ 67,317

At June 30, 2021 and 2020, the discount rate used on long-term unconditional promises to give was 0.05% and 0.13%, respectively.

NOTE 6. FAIR VALUE MEASUREMENTS

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

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Money market funds	\$ 33,409	\$ -	\$ -	\$ -	\$ 33,409
Mutual funds	530,899	-	-	-	530,899
Equity securities	241,972	-	-	-	241,972
Alternative investments					
Hedge funds	-	-	-	34,978	34,978
Private investment fund	-	-	-	20,165	20,165
Total assets at fair value	\$ 806,280	\$ -	\$ -	\$ 55,143	\$ 861,423

NOTES TO FINANCIAL STATEMENTS

NOTE 6. FAIR VALUE MEASUREMENTS (Continued)

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

	Level 1	Level 2	Level 3	NAV Practical Expedient	Total
Money market funds	\$ 15,383	\$ -	\$ -	\$ -	\$ 15,383
Mutual funds	419,115	-	-	-	419,115
Equity securities	164,841	-	-	-	164,841
Alternative investments					
Hedge funds	-	-	-	63,057	63,057
Private investment fund	-	-	-	16,292	16,292
Total assets at fair value	<u>\$ 599,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,349</u>	<u>\$ 678,668</u>

In accordance with FASB's fair value measurement presentation and disclosure guidance, certain investments that are measured at fair value using the net asset value per share (or its equivalents) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The alternative investments includes investments in partnership funds and hedge funds. The fair value of these investments has been estimated using the net asset value per share of the investment. As of June 30, 2021, the unfunded commitment of the partnership funds are \$20,647. The hedge funds have a monthly redemption frequency and a 90 day prior to trade date redemption notification.

NOTE 7. ENDOWMENT

Interpretation of Relevant Law

In approving endowment, spending and related policies, as part of the prudent and diligent discharge of its duties, the Board of Trustees of the Foundation, as authorized by the UPMIFA, has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Foundation and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor directions to the contrary.

As a result of this interpretation, for accounting and financial statement purposes, the Foundation classifies net assets with donor restrictions that are perpetual in nature as the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

The portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be held in perpetuity are classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. ENDOWMENT (Continued)

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. At June 30, 2021 and 2020, the Foundation had no such deficiencies in the endowment.

Return Objectives and Risk Parameters

The Foundation adheres to the University of West Georgia Foundation's (UWGF) Investment, Spending and Endowment Policy (ISEP) designed 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 and Finance Committee of the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar assets classes while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Related to Spending Policy

The UWGF's Investment and Finance Committee (the "Committee") determines the calculation of the spending policy to appropriate endowment funds for expenditure. The Committee recommended, and the Board of Trustees approved, a spending policy of 4.25% for the 2021 academic school year. The Foundation's Board of Trustees approved the recommended rate by UWGF. UWGF's spending policy is based on a 36-month trailing average of the fair market value of the endowment investments, and is distributed for purposes of supporting activities with and without donor restrictions. The allocations are withdrawn bi-annually from endowment funds. In addition, the ISEP permits an annual 1.25% administration fee be assessed to support foundation operations quarterly, which is based on a twelve quarter rolling average of the fair market value of the endowment investments. As of June 30, 2021, the Foundation's endowment was not invested with UWGF and therefore did not appropriate the spending allocation or the administrative fee during the year.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. ENDOWMENT (Continued)

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

	Quasi- Endowment (Without Donor Restriction)	Endowment (With Donor Restriction)	Total
June 30, 2021			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 3,725	\$ 3,725
Accumulated investment gains	-	-	-
Endowment net assets, end of year	\$ -	\$ 3,725	\$ 3,725

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

	Quasi- Endowment (Without Donor Restriction)	Endowment (With Donor Restriction)	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Contributions	-	3,725	3,725
Endowment net assets, end of year	\$ -	\$ 3,725	\$ 3,725

NOTE 8. RELATED PARTY

As described in Note 1, the Foundation and UWGF have entered into a Memorandum of Understanding regarding the responsibilities of each in regards to the operations of the Foundation. At June 30, 2021 and 2020, the Foundation had a receivable from UWGF of \$1,500 and a payable of \$345, respectively, for contributions received or expenses paid by UWGF on behalf of the Foundation. Beginning July 1, 2018, leased vehicles for use by athletic coaching staff were paid by UWGF.

NOTE 9. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the change in net assets. Other financial impacts could occur though the extent of potential impact is unknown at this time.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated events occurring through August 26, 2021, the date the financial statements were available to be issued.