VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

VALDOSTA, GEORGIA

REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

FH R&S

Fowler, Holley, Rambo & Stalvey, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

VALDOSTA, GEORGIA

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

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TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Valdosta State University Foundation, Inc.
Valdosta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of Valdosta State University Foundation, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Valdosta State University Foundation, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Valdosta State University Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Trustees
Valdosta State University Foundation, Inc.
Valdosta, Georgia

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valdosta State University Foundation, Inc.'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 Valdosta State University Foundation, Inc.'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.

Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
August 30, 2024

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

Current Assets:	
Cash, Note 1	$ 2,957,702
Investments, Notes 1, 2 and 9	64,408,913
Prepaid expenses	69,902
Total Current Assets	67,436,517
Other Assets:	
Cash surrender value of life insurance	833,758
Unconditional promises to give, restricted for permanent endowment, Notes 1 and 4	195,805
Property and equipment, net, Notes 1 and 5	1,718,620
Total Other Assets	2,748,183
Total Assets	$ 70,184,700

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	$ 546,056
Current portion of long-term debt, Note 6	92,394
Other current liabilities	51
Due to Valdosta State University Alumni Association, Inc., Note 7	168,703
Total Current Liabilities	807,204
Other Liabilities:	
Long-term debt, less currrent portion, Note 6	524,996
Total Other Liabilities	524,996
Total Liabilities	1,332,200
Net Assets, Notes 1 and 3:	
Without donor restrictions	1,017,570
With donor restrictions	67,834,930
Total Net Assets	68,852,500
Total Liabilities and Net Assets	$ 70,184,700

NOTE: The accompanying notes to consolidated financial statements are an integral part of this statement.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and Revenue:			
Contributions, Note 1	$ 87,354	5,196,242	5,283,596
Ticket sales and fees	-	471,703	471,703
Interest and dividends	53,867	1,910,842	1,964,709
Net unrealized and realized gains (losses) on investments, Notes 1 and 12	(476,697)	5,011,076	4,534,379
Other revenue	14,639	224,245	238,884
Net assets released from restrictions:			
Satisfaction of program restrictions	10,715,047	(10,715,047)	-
Total Support and Revenue	10,394,210	2,099,061	12,493,271
Expenses and Other:			
Management and general	404,707	-	404,707
Program services	10,594,272	-	10,594,272
Fundraising expenses	21,971	-	21,971
Total Expenses	11,020,950	-	11,020,950
(Gain) loss on disposal of property	(99,987)	-	(99,987)
Total Expenses and Other	10,920,963	-	10,920,963
Increase (Decrease) in Net Assets	(526,753)	2,099,061	1,572,308
Net Assets, Beginning of Year	1,544,323	65,735,869	67,280,192
Net Assets, End of Year	$ 1,017,570	67,834,930	68,852,500

NOTE: The accompanying notes to consolidated financial statements are an integral part of this statement.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

		SUPPORTING SERVICES		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Advertising	$ 20,832	-	-	20,832
Awards and Sponsorships	80,499	-	-	80,499
Bank Charges	-	13,574	-	13,574
Depreciation Expense	-	10,253	-	10,253
Dues and Subscriptions	45,422	-	-	45,422
Equipment Expense	40,069	-	-	40,069
Gifts and Flowers	33,181	-	-	33,181
Gifts-In-Kind	9,776	-	-	9,776
Insurance	-	131,150	-	131,150
Interest Expense	-	20,159	-	20,159
Investment Fees	28	-	-	28
Management Fees	-	39,999	-	39,999
Meals and Entertainment	554,931	-	-	554,931
Memberships	37,505	-	-	37,505
Miscellaneous	184,586	281	-	184,867
Outside Services	395,183	18,200	-	413,383
Payments To or On Behalf of VSU	6,947,132	-	-	6,947,132
Printing and Publications	8,555	-	-	8,555
Professional Fees	-	67,631	-	67,631
Registrations Expense	57,221	-	-	57,221
Repairs and Maintenance	362,051	16,170	-	378,221
Scholarships Expense	1,308,875	-	-	1,308,875
Software Support Expense	-	5,451	-	5,451
Supplies Expense	221,191	-	21,971	243,162
Taxes and Licenses	-	44,471	-	44,471
Travel and Lodging Expense	287,235	-	-	287,235
Utilities	-	2,008	-	2,008
Vehicle Expense	-	35,360	-	35,360
Total Functional Expenses	$ 10,594,272	404,707	21,971	11,020,950

NOTE: The accompanying notes to consolidated financial statements are an integral part of this statement.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

Cash Flows From Operating Activities:	
Increase in net assets	$ 1,572,308
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,253
(Gain) loss on disposal of property, plant and equipment	(99,987)
Net realized and unrealized (gains) losses on investments	(4,534,379)
Restricted for long-term purposes:	
Permanently restricted contributions	(2,541,281)
Investment and other income restricted for reinvestment	(1,561,952)
Change in operating assets and liabilities:	
(Increase) Decrease in prepaid expenses	(63,156)
(Increase) Decrease in related party due to/from	4,893
(Increase) Decrease in unconditional promises to give	979,868
Increase (Decrease) in accounts payable	475,671
Increase (Decrease) in other liabilities	(32)
Net Cash Provided (Used) By Operating Activities	(5,757,794)
Cash Flows From Investing Activities:	
(Increase) Decrease in cash surrender value of life insurance	(101,821)
Proceeds from the sale of assets	518,000
Proceeds from the sale/maturity of investment securities	19,248,759
Purchase of investment securities	(17,090,181)
Net Cash Provided (Used) By Investing Activities	2,574,757
Cash Flows From Financing Activities:	
Proceeds from contributions restricted for long-term purposes	2,541,281
Proceeds from investment and other income restricted for reinvestment	1,561,952
Principal payments on long-term debt	(89,793)
Net Cash Provided (Used) By Financing Activities	4,013,440
Net Increase (Decrease) in Cash and Cash Equivalents	830,403
Cash and Cash Equivalents at Beginning of Year	2,127,299
Cash and Cash Equivalents at End of Year	$ 2,957,702

NOTE: The accompanying notes to consolidated financial statements are an integral part of this statement.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

Supplemental Disclosure of Cash Flow Information:	
Net cash paid during the year for interest	$ 20,159
Non-Cash Investing and Financing Activities:	
Fixed assets acquired through the issuance of long-term debt	$ -
Non-cash contributions of buildings, land and life insurance	$ -

NOTE: The accompanying notes to consolidated financial statements are an integral part of this statement.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Organization and nature of activities: Valdosta State University Foundation, Inc. (the Foundation) is a not-for-profit foundation that was founded May 30, 1963 to receive and administer contributions for the support of the academic programs of Valdosta State University (the University). The University is governed by the Board of Regents of the University System of Georgia (the Board of Regents), and the Foundation is governed by a Board of Trustees (the Trustees). The purpose of the Foundation is to support the development of educational excellence at Valdosta State University. The Foundation's primary efforts are directed toward attracting, receiving, investing, managing, and expending gifts and other resources designated for educational programs at the University, and toward providing financial support to the University for scholarships, faculty salary supplements, awards and lectureships, travel, research, and other institutional programs.

Principles of consolidation: The accompanying consolidated financial statements reflect the consolidated results of the Foundation, VSU Foundation Real Estate I, LLC, and VSU Foundation Real Estate II, LLC. All significant inter-company transactions and accounts have been eliminated.

Donated assets: Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Cash and cash equivalents: For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At June 30, 2024, the Foundation had no cash equivalents that were included in cash.

Financial statement presentation and accounting for contributions received: The financial statement presentation is in conformity with the requirements of the Financial Accounting Standards Board in FASB ASC 958. Under FASB ASC 958, 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 restrictions, and include a statement of cash flows and a statement of functional expenses. Under FASB ASC 958, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions.

Promises to give: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2024, the Organization had outstanding uncollected contributions that were, in substance, unconditional, in the amount of $195,805. This amount was net of an allowance for uncollectible promises receivable in the amount of $37,733.

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and equipment: The Organization follows the policy of capitalizing property and equipment over $750; lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives depending on the nature and utility of the individual assets.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Realized gains and losses are computed using the specific-identification method. Real estate investments without readily determinable fair values are stated at cost (or fair value at the time of donation if acquired by gift).

Contributed services: No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. Any other such donated services are considered to be for the benefit of Valdosta State University.

Collections: The Organization follows the policy of capitalizing its collections. If purchased, items accessioned into the collection are capitalized at cost, and if donated, they are capitalized at their fair value on the accession date (the date on which the item is accepted by the Acquisitions Committee of the Board of Trustees). Gains or losses on the deaccession of collection items are classified on the statement of activities as without donor restrictions or with donor restrictions depending on the nature of donor restrictions, if any, placed on the item at the time of accession.

Concentrations of credit risk: At various times, the Organization may have cash deposits in excess of federally insured limits deposited in financial institutions. The Organization has not experienced any losses from cash deposits exceeding federally insured limits.

Accounting for uncertainty in income taxes: The Organization evaluates any income tax benefits generated from uncertain tax positions using a more-likely-than-not of being sustained upon examination analysis. If a tax benefit is not more-likely-than-not of being sustained upon examination, the Organization records a liability for the recognized income tax benefit. The Organization recognizes accrued interest associated with uncertain tax positions as part of interest expense and penalties associated with uncertain tax positions as part of other expenses.

Interest-rate swap agreements: The differential to be paid or received on interest-rate swap agreements is accrued as interest rates change and is recognized over the life of the agreements.

Advertising costs: The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was $20,832 for the year ended June 30, 2024.

Note 1 - Summary of Significant Accounting Policies (Continued)

Impairment: The Foundation regularly evaluates whether events and circumstances have occurred that indicate the carrying amount of real property, and furniture, fixtures, and equipment may warrant revision or may not be recoverable. When factors indicate that these long-lived assets should be evaluated for possible impairment, the Foundation assesses the potential impairment by determining whether the carrying value of such long-lived assets will be recovered through the future undiscounted cash flows expected from use of the asset and its eventual disposition. If the carrying amount of the asset is determined not to be recoverable, a write-down to fair value is recorded, based on quoted market values, discounted cash flows, or external appraisals, as applicable. In addition, the Foundation regularly evaluates whether events and circumstances have occurred that indicate the useful lives of long-lived assets may warrant revision.

Cost allocation: The financial statements may report certain categories of expenses that are attributable to more than one program or supporting function. When such expenses are incurred, they require allocation on a reasonable basis that is consistently applied. Certain management and general expenses are allocated to program services based on reasonable estimates derived by management.

Accounting Standards Recently Adopted: In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (ASU 2016-02). The amendments in ASU 2016-02 create FASB ASC Topic 842, Leases, and supersede the requirements in ASC Topic 840, Leases. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under ASC Topic 840. Under the guidance of ASU 2016-02, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The accounting applied by a lessor under ASU 2016-02 is largely unchanged from that applied under ASC Topic 840. The ASU became effective for the Foundation on January 1, 2022. Implementation of the new accounting standards did not have a material impact on the financial statements.

Note 2 - Investments

Investments consist of the following:

	COST	MARKET VALUE	UNREALIZED APPRECIATION (DEPRECIATION)
Money market and mutual funds	$ 14,295,454	18,305,965	4,010,511
Equity securities	25,003,122	34,299,020	9,295,898
Corporate debt securities	6,418,144	6,188,355	(229,789)
Mortgage-backed securities	420,595	400,481	(20,114)
Municipal debt securities	75,019	74,144	(875)
U.S. Gov't corps and agencies	5,360,489	5,140,948	(219,541)
	$ 51,572,823	64,408,913	12,836,090

Note 2 – Investments (Continued)

The following schedule summarize the investments' returns and their classification in the consolidated statement of activities:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Interest and dividends	$ 53,867	1,910,842	1,964,709
Net unrealized and realized gains (losses) on investments	(476,697)	5,011,076	4,534,379
	$ (422,830)	6,921,918	6,499,088

Investments are carried at market values as of year end. These valuations are subject to market fluctuations and other factors and may differ from the ultimate realizable value of the investments, and these differences may be material.

Note 3 – Restrictions on Net Assets

In August 2009, the Financial Accounting Standards Board (FASB) issued FASB ASC 958-205 (formerly Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Foundations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds"). FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA).

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of fair value of the original gift as of the gift date if the donor-restricted endowment funds do not include explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor restricted (a) the original value of gifts donated to a permanent endowment fund, (b) the original value of the subsequent gifts to a permanent endowment fund, and (c) accumulations to a permanent endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the non-restricted endowment fund that is not classified as donor restricted net assets is classified as net assets without donor restrictions.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies: The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets. The Organization engages the services of professional investment advisors to assist in monitoring compliance with its policies in this area.

Note 3 – Restrictions on Net Assets (Continued)

Spending Policy: The current spending policy is based upon an allocation of 100% of the realized and unrealized income earned as available for current and future expenditures, except where restricted by the donor. However, spending is limited to reasonable and necessary expenses for program, management, general and fundraising.

Management, Reporting and Monitoring: Endowment and other funds are managed by the Organization through management and the Board of Trustees, with the assistance of professional investment advisors. Investment results are compared to certain predetermined benchmarks.

Net assets with donor restrictions are available for the following purposes:

Scholarship programs	$ 46,505,338
University department programs	6,344,528
Buildings and equipment	35,127
Pizer Chair political science salary support	642,027
Langdale College of Business Administration	14,307,910
	$ 67,834,930

Note 4 – Unconditional Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending upon the form of benefit received. A valuation allowance is recorded to discount the value of the gift to its net present value based on a discount rate of 3.25%.

Outstanding promises to give and the related valuation allowance were as follows:

Unconditional promises to give	$ 259,692
Less: Discounts to net present value	(26,154)
	233,538
Less: Allowance for uncollectible promises	(37,733)
	$ 195,805

The unconditional promises were estimated to be due as follows:	
Less than one year	$ 133,739
One to five years	62,066
	$ 195,805

Note 5 – Property and Equipment

Property and equipment are summarized as follows:

	LAND	DEPRECIABLE PROPERTY	ACCUMULATED DEPRECIATION	NET BOOK VALUE
Vehicles:				
2016 GMC Yukon	$ -	31,185	(31,185)	-
2017 Ford Expedition	-	30,879	(30,879)	-
Total Vehicles	-	62,064	(62,064)	-
Land, Buildings & Equipment:				
111 W. Brookwood	40,000	121,497	(52,154)	109,343
1508 N. Oak Street	24,713	125,952	-	150,665
Holland Property	20,000	-	-	20,000
Howard Property	5,000	-	-	5,000
Lilly Street - 2 Lots	5,000	-	-	5,000
50 & 52 Lilly Street	60,000	-	-	60,000
622 Lilly Street	30,000	-	-	30,000
626 Lilly Street (Wright)	35,000	-	-	35,000
1104 & 1106 West Street	60,000	-	-	60,000
Corbitt Subdivision Lots	6,620	-	-	6,620
Stump Property	71,300	-	-	71,300
Athletic Practice Fields	1,158,880	567,273	(560,461)	1,165,692
Total Land, Bldgs & Equip.	1,516,513	814,722	(612,615)	1,718,620
Total Property & Equipment	$ 1,516,513	876,786	(674,679)	1,718,620

Depreciation expense totaled $10,253 for the year ended June 30, 2024. Depreciable assets are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 years
Residential rental properties	27.5 years
Non-residential buildings	40 years
Well and landscaping	15 years
Synthetic practice field	10 years
Fencing and goal posts	10 years

Note 6 – Long-Term Debt

Long-term indebtedness consists of the following:

Note payable to First State Bank, payable in monthly installments of $9,651.61, including interest at the fixed rate of 4.25% through October 4, 2021, at which time the rate was renegotiated for the subsequent five-year period at a fixed rate of 3.75% The note is unsecured and matures in September 2030.	$ 617,390
Less: Current Portion	(92,394)
Long-Term Portion	$ 524,996

Note 6 – Long-Term Debt (Continued)

At June 30, 2024, future maturities of long-term debt were as follows:

YEAR ENDING JUNE 30,	
2025	$ 92,394
2026	95,919
2027	99,579
2028	103,378
2029	107,322
Thereafter	118,798
	$ 617,390

Note 7 – Related-Party Transactions

Because of the existence of common trustees, shared expenses, and other factors, Valdosta State University Foundation, Inc., Valdosta State University (the University) VSU Auxiliary Services Real Estate Foundation (Auxiliary Services), and Valdosta State University Alumni Association (Alumni Association) are related parties.

Direct contributions made by the Foundation to the University, or on its behalf, during the year ended June 30, 2024 were as follows:

Scholarships	$ 1,308,875
Various Programs	6,947,132
Total	$ 8,256,007

Trustees of the Foundation made gifts of $265,414 for the year ended June 30, 2024.

Valdosta State University provides the Foundation with certain services of an administrative nature including purchasing, payroll processing, and the use of office space. Also, the University pays the salaries of all Foundation employees. The Foundation reimbursed the University for a portion of these services or benefits in the amount of $92,769 for the year ended June 30, 2024.

The liabilities due to the VSU Alumni Association in the amount of $168,703 represent the Alumni endowment investments held and managed on behalf of the Alumni Association.

Note 8 – Income Taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as a nonprofit organization described in IRC Section 501(c)(3). The Internal Revenue Service has determined that the Foundation is not a private foundation under Section 509(a) of the IRC. The Foundation is subject to federal income tax on unrelated business income.

Note 8 – Income Taxes (Continued)

For the year ended June 30, 2024, management believes there are no material amounts of uncertain tax positions. Additionally, there were no amounts of interest or penalties recognized in the statement of financial position as of June 30, 2024 or the statement of activities for the year then ended. Further, the Organization's Forms 990, Return of Organization Exempt from Income Tax, for all years subsequent to 2021 remain subject to examination by the IRS, generally for three years after they were filed.

Note 9 - Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provided the framework for measuring fair value. That framework provides a fair value 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 Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Note 9 - Fair Value Measurements (Continued)

Mutual funds: Valued at the net asset value (NAV) of shares held by the Foundation at year end.

Corporate bonds, mortgage-backed securities, and U.S. government securities: Valued at the closing price reported on the active market for similar assets or liabilities, or at quoted prices for identical or similar assets or liabilities in inactive markets.

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.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2024:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Mutual Funds:				
Balanced funds	$ 3,612,446	-	-	3,612,446
Fixed income funds	14,693,519	-	-	14,693,519
Total Mutual Funds	18,305,965	-	-	18,305,965
Equity Securities:				
Corporate stocks	34,299,020	-	-	34,299,020
Total Equity Securities	34,299,020	-	-	34,299,020
Other Investments:				
Corporate debt securities	-	6,188,355	-	6,188,355
Mortgage-backed securities	-	400,481	-	400,481
Municipal debt securities	-	74,144	-	74,144
U.S. Gov't corps and agencies	-	5,140,948	-	5,140,948
Total Other Investments	-	11,803,928	-	11,803,928
Total Assets at Fair Value	$ 52,604,985	11,803,928	-	64,408,913

Note 10 – Revenue Recognition

Following is a disaggregation of revenue for the year ended June 30, 2024, detailing which revenue line items fall within and outside of the scope of FASB ASC 606.

In Scope of FASB ASC 606:	
Ticket sales and fees	$ 471,703
Other revenue	238,884
Out of Scope of FASB ASC 606:	
Contributions	5,283,596
Interest and dividends	1,964,709
Net unrealized and realized gains (losses) on investments	4,534,379
	$ 12,493,271

Note 11 – Functional Classification of Expenses

Expenses by function for the year ended June 30, 2024 were as follows:

Program Services:	
Education excellence	$ 10,594,272
Supporting Services:	
Management and general	404,707
Fundraising	21,971
Total Expenses	$ 11,020,950

Note 12 – Investment Fees

Gains and losses reported in the accompanying Consolidated Statements of Activities are net of investment fees of $240,790 for the year ended June 30, 2024. The investment fees were deducted as follows:

Investment fees deducted from net assets with donor restrictions	$ 238,430
Investment fees deducted from net assets without donor restrictions	2,360
	$ 240,790

Note 13 – Interest Expense

The Foundation incurred interest costs for the year ended June 30, 2024 as follows:

Interest costs capitalized	$ -
Interest costs charged to expense	20,159
Total Interest Expense Incurred	$ 20,159

Note 14 – Rental Agreements

In accordance with the ASC 842, *Leases*, for material leases, the Foundation measures right-of-use ("ROU") assets and lease liabilities based on the future minimum lease payments over the lease term at the commencement date. Minimum lease payments include the fixed lease components of the agreement. The Foundation recognizes lease expense for material leases on a straight-line basis over the lease term. As the implicit rate is typically not readily determinable for most leases, the Foundation uses its incremental borrowing rate to determine the initial present value of lease payments.

The Foundation determines if a contract is or contains a lease at inception. Leases with an initial term of 12 months or less are not recorded on the balance sheet and are expensed as incurred. During the year ended June 30, 2024, the Foundation was not a party to any material rental agreements that met the definition of a lease.

At June 30, 2024, the Foundation was obligated under rental agreements for various vehicles for use by the coaching staff of the University Athletics Department, with total monthly lease payments of $2,425. Rent expense under these agreements was $35,360 for the year ended June 30, 2024. Foundation management does not consider these agreements to be material enough to be accounted for in accordance with the new leasing standards. Future minimum rental payments under these agreements as of June 30, 2024 are as follows:

YEAR ENDING JUNE 30,		
2025	$	24,288
2026		7,893
2027		2,394
2028		-
2029		-

Note 15 – Liquidity and Availability of Financial Assets

The following represents the Foundation's financial assets as of June 30, 2024, reduced by amounts not expected to be available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets at year end:	
Unrestricted cash and cash equivalents	$ 2,957,702
Investments	64,408,913
Cash surrender value of life insurance	833,758
Unconditional promises to give	195,805
Total financial assets	68,396,178
Less amounts not available to be used within one year, due to:	
Current portion of long-term debt	92,394
Estimated non-current portion of unconditional promises to give	62,066
Net assets with donor restrictions	67,834,930
Less net assets with purpose-restrictions expected to be met in less than a year	(10,715,000)
	57,274,390
Financial assets expected to be available to meet cash needs for general expenditures within one year	$ 11,121,788

Note 15 – Liquidity and Availability of Financial Assets (Continued)

As part of the Foundation's liquidity management, it has the policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, from time to time, the Foundation invests excess cash in short-term investments, including money market accounts and certificates of deposit, at the Board's discretion.

Note 16– Subsequent Events

Subsequent events: The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 30, 2024, the date on which the financial statements were available to be issued.

FH R&S

Fowler, Holley, Rambo & Stalvey, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees
Valdosta State University Foundation, Inc.
Valdosta, Georgia

We have audited the consolidated financial statements of Valdosta State University Foundation, Inc. as of and for the year ended June 30, 2024, and our report thereon dated August 30, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Consolidating Statement of Financial Position, Consolidating Statement of Activities, and Consolidated Schedule of Revenues and Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
August 30, 2024

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

	VSU FOUNDATION INC.	VSU FOUNDATION REAL ESTATE I, LLC	VSU FOUNDATION REAL ESTATE II, LLC	TOTALS	ELIMINATING ENTRIES	CONSOLIDATED TOTALS
Current Assets:						
Cash	$ 2,591,622	-	366,080	2,957,702	-	2,957,702
Investments	64,408,913	-	-	64,408,913	-	64,408,913
Due from related parties	125,479	-	-	125,479	(125,479)	-
Prepaid expenses	69,902	-	-	69,902	-	69,902
Total Current Assets	67,195,916	-	366,080	67,561,996	(125,479)	67,436,517
Other Assets:						
CSV of life insurance	833,758	-	-	833,758	-	833,758
Unconditional promises to give permanently restricted	195,805	-	-	195,805	-	195,805
Investment in subsidiaries	500,609	-	-	500,609	(500,609)	-
Property and equipment, net	1,458,612	150,665	109,343	1,718,620	-	1,718,620
Total Other Assets	2,988,784	150,665	109,343	3,248,792	(500,609)	2,748,183
Total Assets	$ 70,184,700	150,665	475,423	70,810,788	(626,088)	70,184,700

NOTE: See Independent Auditor's Report on Supplementary Information.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

LIABILITIES AND NET ASSETS

	VSU FOUNDATION INC.	VSU FOUNDATION REAL ESTATE I, LLC	VSU FOUNDATION REAL ESTATE II, LLC	TOTALS	ELIMINATING ENTRIES	CONSOLIDATED TOTALS
Current Liabilities:						
Accounts payable	$ 546,056	-	-	546,056	-	546,056
Current portion of long-term debt	92,394	-	-	92,394	-	92,394
Other current liabilities	51	-	-	51	-	51
Due to related parties	-	32,407	93,072	125,479	(125,479)	-
Due to VSU Alumni Assoc., Inc.	168,703	-	-	168,703	-	168,703
Total Current Liabilities	807,204	32,407	93,072	932,683	(125,479)	807,204
Other Liabilities:						
Long-term debt, less current portion	524,996	-	-	524,996	-	524,996
Total Other Liabilities	524,996	-	-	524,996	-	524,996
Total Liabilities	1,332,200	32,407	93,072	1,457,679	(125,479)	1,332,200
Net Assets:						
Without donor restrictions	1,017,570	118,258	382,351	1,518,179	(500,609)	1,017,570
With donor restrictions	67,834,930	-	-	67,834,930	-	67,834,930
Total Net Assets	68,852,500	118,258	382,351	69,353,109	(500,609)	68,852,500
Total Liabilities and Net Assets	$ 70,184,700	150,665	475,423	70,810,788	(626,088)	70,184,700

NOTE: See Independent Auditor's Report on Supplementary Information.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	VSU FOUNDATION INC.	VSU FOUNDATION REAL ESTATE I, LLC	VSU FOUNDATION REAL ESTATE II, LLC	TOTALS	ELIMINATING ENTRIES	CONSOLIDATED TOTALS
Support and Revenue:						
Contributions	$ 5,283,596	-	-	5,283,596	-	5,283,596
Ticket sales and fees	471,703	-	-	471,703	-	471,703
Interest and dividends	1,964,473	-	236	1,964,709	-	1,964,709
Net unrealized and realized gains (losses)	4,534,379	-	-	4,534,379	-	4,534,379
Income (loss) from subsidiaries	(22,790)	-	-	(22,790)	22,790	-
Other revenue	238,884	-	-	238,884	-	238,884
Total Support and Revenue	12,470,245	-	236	12,470,481	22,790	12,493,271
Expenses and Other:						
Management and general	355,694	6,091	42,922	404,707	-	404,707
Program services	10,594,272	-	-	10,594,272	-	10,594,272
Fundraising expenses	21,971	-	-	21,971	-	21,971
Total Expenses	10,971,937	6,091	42,922	11,020,950	-	11,020,950
(Gain) loss on disposal of property	(74,000)	-	(25,987)	(99,987)	-	(99,987)
Total Expenses and Other	10,897,937	6,091	16,935	10,920,963	-	10,920,963
Increase (Decrease) in Net Assets	1,572,308	(6,091)	(16,699)	1,549,518	22,790	1,572,308
Net Assets, Beginning of Year	67,280,192	124,349	399,050	67,803,591	(523,399)	67,280,192
Net Assets, End of Year	$ 68,852,500	118,258	382,351	69,353,109	(500,609)	68,852,500

NOTE: See Independent Auditor's Report on Supplementary Information.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED SCHEDULE OF REVENUES AND EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

Support and Revenue:	
Contributions	$ 5,283,596
Ticket sales and fees	471,703
Interest and dividends	1,964,709
Net unrealized and realized gains (losses) on investments	4,534,379
Other revenue	238,884
Total Support and Revenue	12,493,271
Expenses and Other:	
Management and General:	
Bank Charges	13,574
Depreciation Expense	10,253
Insurance	131,150
Interest Expense	20,159
Management Fees	39,999
Miscellaneous	281
Outside Services	18,200
Professional Fees	67,631
Repairs and Maintenance	16,170
Software Support Expense	5,451
Taxes and Licenses	44,471
Utilities	2,008
Vehicle Expense	35,360
Total Management and General	404,707
Program Services:	
Advertising	20,832
Awards and Sponsorships	80,499
Dues and Subscriptions	45,422
Equipment Expense	40,069
Gifts and Flowers	33,181
Gifts-In-Kind	9,776
Investment Fees	28

NOTE: See Independent Auditor's Report on Supplementary Information.

VALDOSTA STATE UNIVERSITY FOUNDATION, INC.

CONSOLIDATED SCHEDULE OF REVENUES AND EXPENSES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

Meals and Entertainment	554,931
Memberships	37,505
Miscellaneous	184,586
Outside Services	395,183
Payments To or On Behalf of VSU	6,947,132
Printing and Publications	8,555
Registrations Expense	57,221
Repairs and Maintenance	362,051
Scholarships Expense	1,308,875
Supplies Expense	221,191
Travel and Lodging Expense	287,235
Total Program Services	10,594,272
Fundraising Expenses:	
Supplies Expense	21,971
Total Fundraising Expenses	21,971
(Gain) loss on disposal of property	(99,987)
Total Expenses and Other	10,920,963
Increase in Net Assets	1,572,308
Net Assets, Beginning of Year	67,280,192
Net Assets, End of Year	$ 68,852,500

NOTE: See Independent Auditor's Report on Supplementary Information.