

FISCAL YEAR

2019

ANNUAL  
FINANCIAL  
REPORT



UNIVERSITY SYSTEM OF GEORGIA



**UNIVERSITY SYSTEM OF GEORGIA**

**UNIVERSITY SYSTEM OF GEORGIA**  
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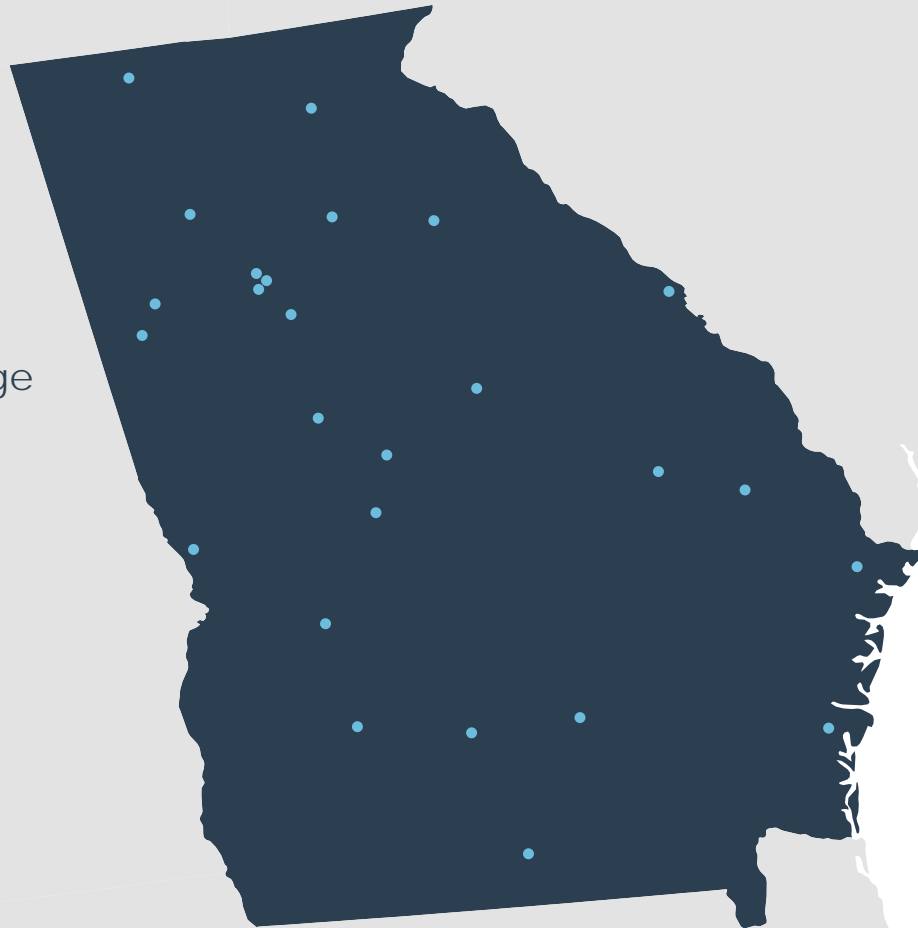


INTRODUCTORY  
SECTION

More than 333,000 students enroll in the 26 public higher education institutions of the University System of Georgia (USG), helping contribute to communities across the state.

USG's economic impact is estimated at \$17.7 billion annually, and its institutions have generated more than 168,000 jobs across Georgia, an increase of more than 4,500 jobs over the prior year.

At the same time, our faculty compete nationally for sponsored research dollars that total more than \$1 billion annually. And the system continues to improve student access and increase students' college attainment, fulfilling its core mission: Knowledge.





UNIVERSITY SYSTEM OF GEORGIA

MORE THAN 333,000 STUDENTS



**\$17.7 BILLION**  
*Estimated USG Annual  
Economic Impact*

**168K JOBS**  
*Generated  
Across Georgia*

**\$1 BILLION**  
*Research Dollars  
Competed For*

**KNOWLEDGE**







*USG was recognized nationally as the 2019-2020 Exceptional Agency by the State Higher Education Executive Officers Association (SHEEO).*

## College Completion

The number of USG students annually earning degrees has increased significantly over the past decade, with an increase of almost 24 percent between 2011 and this past fiscal year.

From 54,855 degrees in fiscal year 2011 to more than 67,854 degrees in fiscal year 2019, the numbers have increased for eight consecutive years.

To continue that work, we launched a systemwide, comprehensive effort to increase students' successful degree completion and on-time graduation. This initiative, known as the

**Momentum Year**, is the first of its kind in the country. As a result, all 26 institutions have placed a data-driven emphasis on first-year students to help them start on the right track toward successful degree completion and reduce their time — and costs — toward graduation.

College students are more likely to graduate when they immediately pursue an area of academic interest, get help to stay on track and follow a clearly sequenced course of study.

For our first-year students, this means passing English and math, taking nine hours in a field of interest and completing 30 course-hours total.

The effort also builds on expanding use of academic programs such as "degree pathways," a 15-to-finish campaign for fuller course loads, early-alert systems and corrective advising for when students need help staying on track.

This year, we are also expanding this initiative to a broader "Momentum Approach" that will encompass parts of a student's remaining years on campus.

Because of such initiatives, USG was recognized nationally as the 2019-2020 Exceptional Agency by the State Higher Education Executive Officers Association (SHEEO).



Over 379,000 students to date have taken advantage of the Affordable Learning Georgia program, saving an estimated \$19 million annually in textbook costs.

## Affordability

The Board of Regents has continued to keep tuition increases to a minimum and has focused on reducing students' textbook costs systemwide, as affordability remains a paramount goal of the USG.

The Board did not raise tuition in 2016 or 2018 and has held increases to an average of 1.7 percent annually over the last five years, less than the rate of inflation.

According to a state auditor's report, the cost of tuition and fees charged by USG institutions averaged 25 percent less than rates charged by peer institutions in other states. Of the 16 peer states that make up the Southern Regional Education Board, Georgia is the fourth-lowest in tuition and fees for fiscal year 2018. South Carolina, Alabama, Tennessee, Louisiana all cost more for in-state undergraduates.

The system has also maximized the potential of online resources, including the increased use of free, open-sourced electronic textbooks. Over 379,000 students to date have taken advantage of the Affordable Learning Georgia program, saving an estimated \$19 million annually in textbook costs.





## Know More. Borrow Less.

In addition to other affordability measures, USG is implementing a systemwide financial literacy initiative called “Know More. Borrow Less.” Designed to reduce student borrowing, the program increases students’ understanding of debt and provides them and their families with timely, customized information about their student loans.

This includes streamlining the federal FAFSA student loan application, dramatically reducing time spent by students and schools grappling with red tape.

Additionally, USG has deployed automated, customized and interactive debt notifications to students that more precisely outline the amount a student currently owes, the expected monthly payment and interest cost, projections of future costs should they borrow more or less and the estimated remaining loan eligibility.

We are also developing a standardized, electronic award letter which will clearly articulate the cost of attendance, the financial aid awarded and a recommended loan amount rather than just the maximum offered and next steps.

Finally, USG is continuing to leverage technology as a cost-saving measure, expanding the use of artificial intelligence services such as “chatbots” to quickly, accurately and consistently respond to student and parent questions.



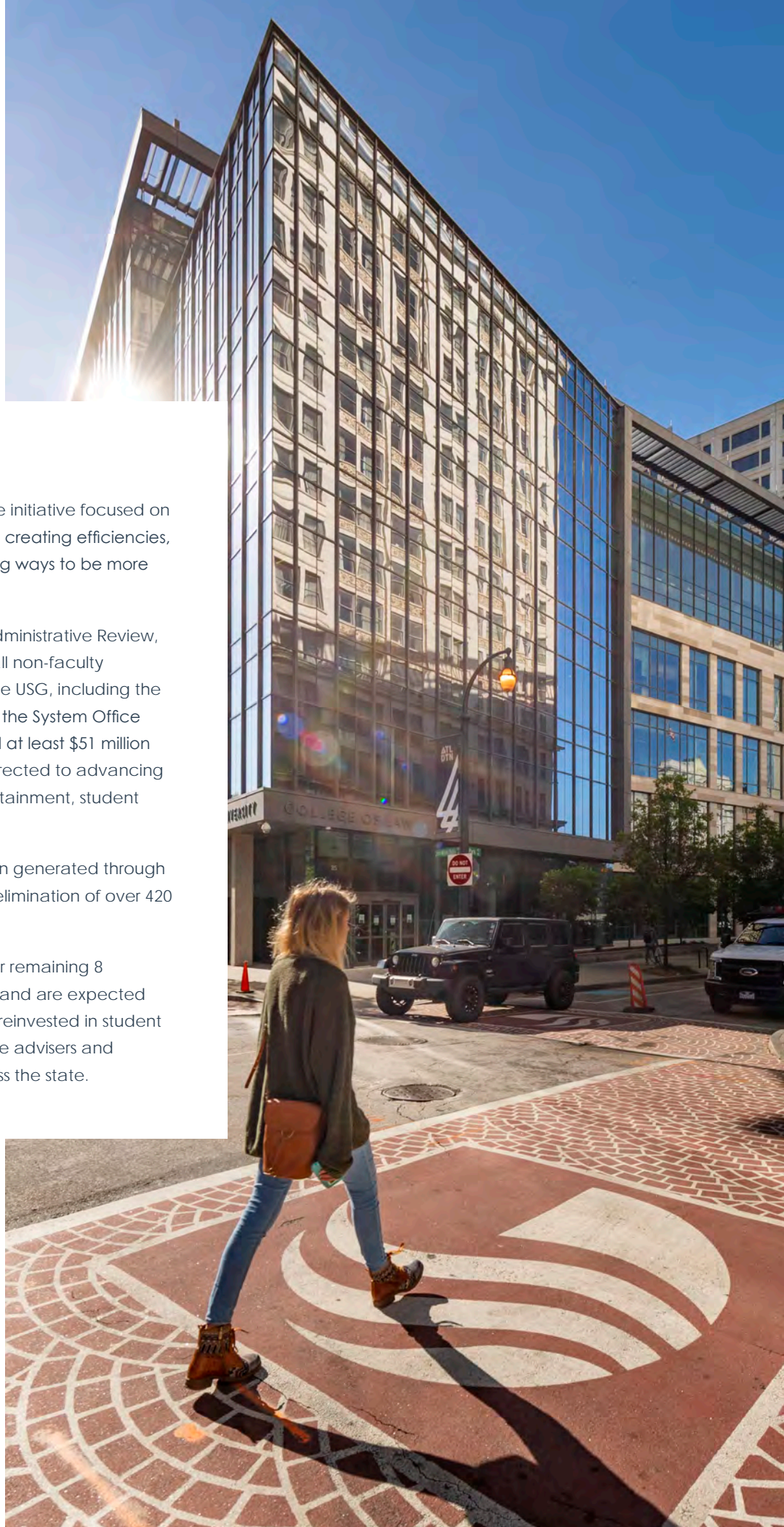
## Efficiency

In 2017, USG began a systemwide initiative focused on improving administration through creating efficiencies, streamlining processes and finding ways to be more effective with resources.

Known as the Comprehensive Administrative Review, it has taken an in-depth look at all non-faculty administrative functions across the USG, including the University System Office. To date, the System Office and 19 institutions have identified at least \$51 million in savings, which have been redirected to advancing USG's core priorities of degree attainment, student affordability and efficiency.

The redirected savings have been generated through a variety of efforts including the elimination of over 420 filled and vacant positions.

Completion of these efforts at our remaining 8 institutions are currently pending and are expected to produce further savings to be reinvested in student success efforts such as hiring more advisers and revamping student services across the state.





*Nexus Degrees allow students and even career professionals seeking to expand their portfolios to receive a high-level skill-set and industry experience.*

## Economic Innovation

With an economic impact of \$17.7 billion annually, one of the top priorities for the USG and its 26 institutions is to strengthen partnerships with Georgia-based businesses and address the critical need for a highly skilled workforce throughout our state.

With that in mind, we have received approval from our accreditors for the new Nexus Degrees, which gives students the option of a shorter-term college credential in high-demand career areas including financial technology (FinTech), blockchain and film production. It allows students and even career professionals seeking to expand their portfolios to receive a high-level skill-set and industry experience to do the jobs that we, as a state, want to attract.

As we continue to introduce Nexus Degrees across the state, USG's top economic development priorities and activities also include:

- Increasing employer and university partnerships to develop professional education, academic curriculum, experiential learning and innovation-driven research opportunities for students and faculty.
- Analyzing high-demand industry sectors to give insight on how USG institutions can create new programs aligned with top markets.
- Mobilizing system-level assets to help all USG institutions address Georgia's high-demand industry needs.



## Georgia FinTech Academy

USG's mission is to create knowledge.

Knowledge drives innovation, which in turn drives the Georgia economy. Last year, the USG launched the Georgia FinTech Academy. The nation's first academy of its kind, it is a statewide initiative to create a talent pipeline for Georgia's fast-growing financial technology business sector.

With 70 percent of all U.S. financial transactions routed through our state, there are over 160 employers in this high-demand field currently located in Georgia. The top 50 Georgia-based FinTech companies generate annual revenue of more than \$72 billion.

USG also partnered with the Georgia Chamber of Commerce, the Technical College System of Georgia and others on a new statewide competition for college students that aims to foster innovation, entrepreneurship and start-up creation.

The Georgia InVenture Prize, based on a competition begun at Georgia Tech, will highlight and support Georgia's growing ecosystem of student entrepreneurs and innovators from across the entire state.







*The USG mission is to create knowledge.*

*The new core curriculum will equip students to thrive in the 21st-century workforce and world.*

## Redesigning General Education

To help USG better prepare students for the world beyond the classroom, Chancellor Steve Wrigley launched the College 2025 Initiative in 2017 to develop a five- to 10-year academic roadmap for the system and USG institutions.

While USG is now implementing those strategies, it has also taken on the task of updating the structure and content of USG's general education curriculum (the first 60 hours of courses shared by all programs of study).

Our general education curriculum lays the foundation of every student's knowledge base. It answers the question of what we think our graduates should know.

The work done on College 2025 shows that we need to be more flexible and responsive to students' academic needs — while also maintaining high standards.

To that end, USG has initiated a review with the input of faculty, academic administrators and industry leaders from all across the state as well as from the public.

The new core curriculum will equip students to thrive in the 21st-century workforce and world, with the expectation it will be launched systemwide by Fall 2020.

*Student success, responsible stewardship, economic competitiveness and community impact – these are the plan’s overarching four goals.*

## Strategic Plan 2024

Across the nation and world, there is no other time in history when it has been so essential to acquire knowledge and possess flexible skills to participate successfully in the workforce.

That in itself makes USG’s mission critical to our state’s economic future. With that in mind, we are launching a new strategic plan that will shape the impact USG has on our state for the next four years and beyond.

The challenges and opportunities we face in the coming years make the plan imperative for deciding how best we can succeed for the benefit and advancement of Georgia.

Student success, responsible stewardship, economic competitiveness and community impact – these are the plan’s overarching four goals. They represent not a catalog of everything we do but most directly what we need and have to do to drive Georgia forward.



## MEMBERS OF THE BOARD OF REGENTS IN 2019

**Chris Cummiskey**  
*District: At-Large*

**W. Allen Gudenrath**  
*District: Eighth*

**Erin Hames**  
*District: At Large*

**Bárbara Rivera Holmes**  
*District: Second*

**Samuel D. Holmes**  
*District: At-Large*

**C. Thomas Hopkins Jr., M.D.**  
*District: Third*

**James M. Hull**  
*District: At-Large*

**Laura Marsh**  
*District: Twelfth*

**Jose R. Perez**  
*District: Seventh*

**Neil L. Pruitt Jr.**  
*District: Eleventh*

**Sarah-Elizabeth Reed**  
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**Sachin Shailendra**  
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**E. Scott Smith**  
*District: Fourteenth*

**Kessel D. Stelling Jr.**  
*District: Sixth*

**Ben J. Tarbuton III**  
*District: Tenth*

**T. Rogers Wade**  
(Vice Chair)  
*District: At-Large*

**Don L. Waters**  
(Chair)  
*District: First*

**Philip A. Wilheit Sr.**  
*District: Ninth*

**UNIVERSITY SYSTEM  
OF GEORGIA**

**Dr. Steve Wrigley**  
Chancellor

**Tracey Cook**  
Treasurer

**Edward Tate**  
Secretary to the Board





# **UNIVERSITY SYSTEM OF GEORGIA**



**BOARD OF REGENTS OF  
THE UNIVERSITY SYSTEM OF GEORGIA**

OFFICE OF STRATEGY & FISCAL AFFAIRS  
270 WASHINGTON STREET, S.W.  
ATLANTA, GEORGIA 30334

PHONE (404)  
FAX (404) 962-3215

December 23, 2019

Chancellor Steve Wrigley  
Board of Regents  
University System of Georgia

Dear Chancellor Wrigley:

We are pleased to present to you the Annual Financial Report of the University System of Georgia for the year ended June 30, 2019. The report provides financial information about the University System of Georgia's operations during the year and describes its financial position at the end of the fiscal year.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose, the objective of which is to provide reasonable assurance that the financial statements are free of material misstatements. Further, the officers of the various institutions of the University System of Georgia and its affiliated organizations have assured us that every effort has been made to reflect accurately the information considered important to all concerned parties.

State law, Federal guidelines, bond covenants and the by-laws of the Board of Regents require that the accounting and financial records of the University System of Georgia be audited each year. The Georgia Department of Audits and Accounts has performed the audit for fiscal year 2019 and has issued an unmodified opinion, the most favorable outcome of the audit process. The State Auditor's report is located at the beginning of the financial section.

Management's discussion and analysis (MD&A) immediately follows the auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction therewith.

Respectfully submitted,

Tracey Cook  
Executive Vice Chancellor for Strategy and Fiscal Affairs/Treasurer  
Board of Regents of the University System of Georgia

*"Creating A More Educated Georgia"*  
[www.usg.edu](http://www.usg.edu)



**UNIVERSITY SYSTEM  
OF GEORGIA**





FINANCIAL  
SECTION



**UNIVERSITY SYSTEM  
OF GEORGIA**



# DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156  
Atlanta, Georgia 30334-8400

**GREG S. GRIFFIN**  
STATE AUDITOR  
(404) 656-2174

## **Independent Auditor's Report**

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the Board of Regents of the University System of Georgia  
and  
Dr. Steve Wrigley, Chancellor  
University System of Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the University System of Georgia (USG), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University System of Georgia's basic financial statements as listed in the table of contents.

### ***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 opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Except for the Augusta University Foundation, Inc., Augusta University Research Institute Inc., AU Health Systems, Inc., Georgia State University Research Foundation, Inc., Georgia Tech Research Corporation, the University of Georgia Research Foundation, Inc., and the University System of Georgia Foundation, Inc. & Affiliates, the financial statements of the aggregate discretely presented component units of the USG were not audited in accordance with *Government Auditing Standards*.

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 USG'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 opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the USG as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the USG are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only those portions of the business-type activities, major fund and aggregate discretely presented component units of the State of Georgia that are attributable to the transactions of the USG. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2019, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As also discussed in Note 1 to the financial statements, in 2019, the USG restated the prior period financial statements for changes in accounting policies and principles and to correct prior period misstatements. Our opinions are not modified with the respect to the matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the USG's basic financial statements. The introductory section and accompanying supplementary information listed in the table of contents are presented for the purposes of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***


In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019 on our consideration of the USG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the



effectiveness of the USG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the USG's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record in the office of the State Auditor and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin  
State Auditor

December 23, 2019



# **UNIVERSITY SYSTEM OF GEORGIA**

# UNIVERSITY SYSTEM OF GEORGIA

## Management's Discussion and Analysis

### Introduction

The University System of Georgia (USG)'s priority is to ensure more Georgians enter the workforce with a college credential, while also seeking to make college more affordable and accessible and the USG itself more cost-efficient on behalf of the State's students and communities. USG institutions enrolled more than 330,000 students and awarded 67,854 degrees in fiscal year 2019, a 2.1% increase over the previous year and an almost 24% increase since 2011. USG leaders continue to focus on affordability, efficiency, and investing in academic initiatives to increase attainment. For the academic year 2019-20, all 26 USG institutions continue to build on the "Momentum Year" program designed to help USG students in their crucial first year of college by guiding them on a path to achieve their educational goals, including successful degree completion and on-time graduation. The Board of Regents (Board) has held tuition increases to an average of 1.7% annually over the last five years, which is less than the rate of inflation. According to a state auditor's report, tuition rates charged by USG institutions averaged 25% less than rates charged by peer institutions in other states.

The USG also entered a new phase of the ongoing Comprehensive Administrative Review at all 26 institutions as well as the University System Office (USO). This thorough assessment of how the USG is organized, its processes and its staffing levels has resulted in \$51 million in savings from the USO and 19 institutions, which have been redirected to advancing USG's core priorities of degree attainment, student affordability and efficiency. The redirected savings have been generated through a variety of efforts to include the elimination of over 493 filled and vacant positions. Completion of these efforts at the remaining 7 institutions are currently pending and are expected to produce further savings for the State.

This discussion and analysis provides a summary of the financial position of the USG for the fiscal year ending June 30, 2019. It will provide the user with an overview of how the USG utilized its resources in pursuit of its primary goals of teaching, research and public service. The Board and Chancellor Steve Wrigley are charged with the leadership of the 26 institutions of the USG. The USG continues to prosper, as is demonstrated by the following information:

### State Resources

During the 2019 session, the General Assembly passed HB 30 to amend HB 684 and provide appropriations for the State Fiscal Year beginning July 1, 2018, and ending June 30, 2019. The USG received \$2.43 billion in state general funds and another \$9.99 million in tobacco settlement funds, for a total of \$2.44 billion appropriation for FY2019:

STATE APPROPRIATIONS AVAILABLE - GENERAL APPROPRIATIONS ACT OF 2019	
House Bill 684	
General State Funds	\$ 2,428,245,232
House Bill 30	
General State Funds	2,632,727
Tobacco Settlement Funds	9,991,818
<b>Total State Appropriations Per Appropriations Act - University System of Georgia</b>	<b>\$ 2,440,869,777</b>

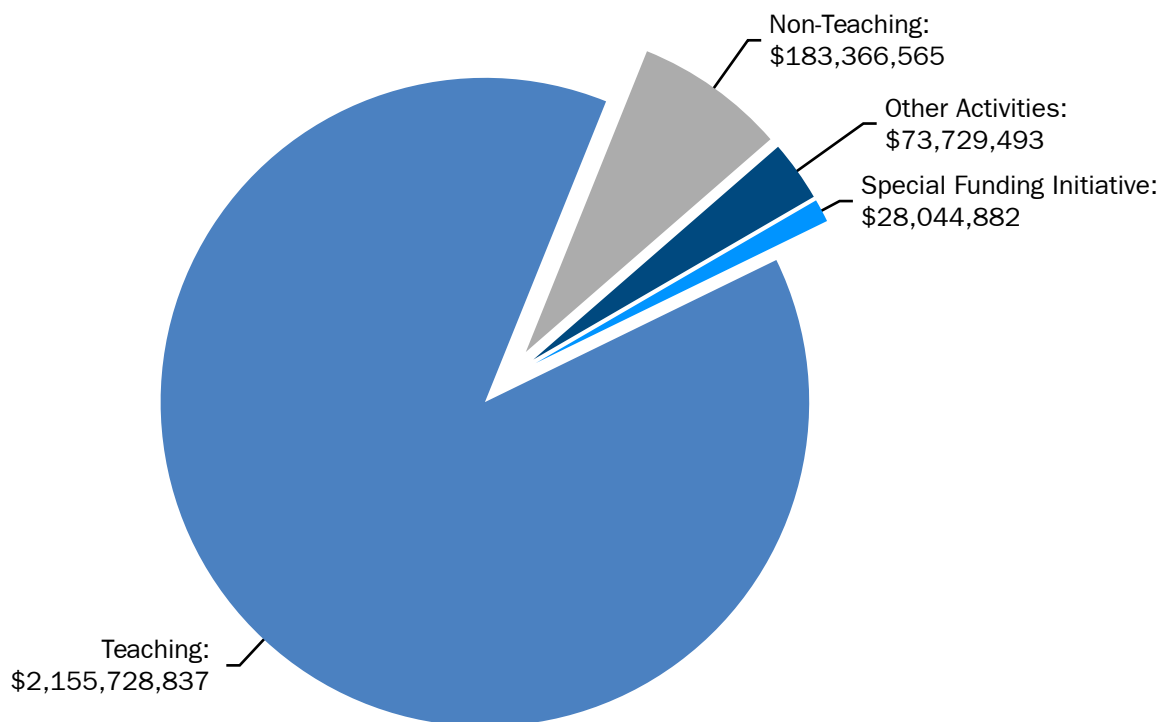
The following table presents the fiscal year 2019 allocations by the Board of Regents to the USG institutions:

ALLOCATIONS BY THE BOARD OF REGENTS	
Education and General	
Teaching	\$ 2,155,728,837
Non-Teaching	183,366,565
Other Activities	
University System Office	\$ 12,375,327
Rental Payments - GA Military College	7,079,053
GA Public Telecommunications Commission	15,197,539
GA Public Libraries	39,077,574
Total Other Activities	73,729,493
Special Initiative Funding	28,044,882
<b>Net State Appropriations Available to the University System of Georgia</b>	<b>\$ 2,440,869,777</b>



The following chart illustrates the Board of Regents allocations to Teaching, Non-Teaching, Other Activities and Special Funding Initiatives:

### Board of Regents Allocations



#### Overview of the Financial Statements and Financial Analysis

The USG is proud to present its consolidated financial statements for fiscal year 2019. These statements contain information from the 26 institutions of the USG, and the University System Office. These financial statements include: three consolidated financial statements (1) Statement of Net Position, (2) Statement of Revenues, Expenses and Changes in Net Position, and (3) Statement of Cash Flows; Fiduciary Fund statements for the Board of Regents Retiree Health Benefit Fund, the Early Retirement Plan - Augusta University and the USG Deferred Compensation Plan; and combining component unit financial statements for 25 discretely presented component units. These 25 organizations are legally separate tax-exempt component units of the State of Georgia. The emphasis of discussions about these statements will be on current year data of the USG.

The Notes to the Financial Statements follow the combining component unit financial statements, and contain essential information that serves both to support and clarify the information presented in the financial statements preceding them.

The Required Supplementary Information section contains additional information related to the Board of Regents Retiree Health Benefit Fund, the Early Retirement Plan - Augusta University, retirement plans for which the USG and its institutions participates and other post employment benefits as required by generally accepted accounting principles.

Finally, the Supplementary Information section includes selected information by USG institution, affiliated organizations and USG consolidated financial statements presented on a statutory/budget basis.

This discussion and analysis of the USG’s consolidated financial statements provides an overview of its financial activities for the fiscal year. Further information is provided by comparative data for fiscal year 2019 and 2018.

## Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the USG as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the statement is to present to the reader a fiscal snapshot of the USG. The Statement of Net Position presents data concerning assets (property that we own and what we are owed by others), deferred outflows of resources (consumption of net position by the USG that is applicable to future reporting periods), liabilities (what we owe to others and have collected from others before we have provided the service), deferred inflows of resources (acquisition of net position by the USG that is applicable to future reporting periods), and net position. It is prepared under the accrual basis of accounting, which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue operations of the USG. They are also able to determine how much the USG owes vendors and investors. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one indicator of the USG's financial health when considered in conjunction with other nonfinancial conditions, such as facilities and environment.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the USG's equity in property, plant and equipment owned. The next category is restricted, which is divided into two categories, non-expendable and expendable. Restricted, non-expendable net position consists solely of the USG's permanent endowment funds. *The corpus of non-expendable, restricted resources* is available only for investment purposes. Restricted, expendable resources are available for expenditure, however, expenditure of these resources is limited to time or purpose restrictions placed on the assets by the donor and/or external third parties. The final category is unrestricted resources, which are available to the USG for any lawful purpose.

The USG's financial position at June 30, 2019 is very strong, with total assets of \$13.14 billion, deferred outflows of \$1.24 billion, total liabilities of \$11.07 billion, deferred inflows of \$1.28 billion and net position of \$2.03 billion.

### Assets and Deferred Outflows

Total assets and deferred outflows of the USG in fiscal year 2019 were approximately \$841 million more than those reported for fiscal year 2018. Most asset categories had marginal increases or decreases during the year. Cash and investments increased \$93 million due to strategic budgetary efforts. Accounts receivable increased \$86 million due to the timing of collections related to Federal programs, Georgia Student Finance Commission, and component units. Deferred outflows of resources increased \$369 million primarily due to actuarial determined differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total OPEB liability. Capital assets increased by \$302 million. See Note 6 with in the Notes to the Financial Statements for more information.

### Liabilities and Deferred Inflows

Total liabilities and deferred inflows for fiscal year 2019 were approximately \$414 million more than those reported for fiscal year 2018. The majority of the change is related to an increase in net pension liability of \$24 million, pension deferred inflows of \$58 million, net OPEB liability of \$191 million, and OPEB deferred inflows of \$206 million. Net OPEB liability increased primarily due to OPEB service cost and interest on the total OPEB liability exceeding the USG's contributions into the plan. OPEB deferred inflows of resources increased primarily due to changes in the assumptions used in the measurement of the total OPEB liability.

## Net Position

The combination of the increase in total assets and deferred outflows of \$841 million and the increase in total liabilities and deferred inflows of \$414 million yielded a net increase in total net position of \$428 million or 26.6%. The following table summarizes the USG's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2019 and June 30, 2018.

CONDENSED STATEMENT OF NET POSITION	June 30, 2019	June 30, 2018 <sup>(1)</sup>	% Change
<b>ASSETS</b>			
Current Assets	\$ 2,471,187,616	\$ 2,292,837,480	7.78 %
Capital Assets, Net	10,180,886,037	9,878,403,906	3.06 %
Other Assets	489,893,475	498,530,235	(1.73)%
<b>TOTAL ASSETS</b>	<b>13,141,967,128</b>	<b>12,669,771,621</b>	<b>3.73 %</b>
<b>DEFERRED OUTFLOWS</b>	<b>1,242,647,053</b>	<b>873,854,980</b>	<b>42.20 %</b>
<b>LIABILITIES</b>			
Current Liabilities	929,281,944	914,781,438	1.59 %
Non-Current Liabilities	10,144,248,555	9,983,382,572	1.61 %
<b>TOTAL LIABILITIES</b>	<b>11,073,530,499</b>	<b>10,898,164,010</b>	<b>1.61 %</b>
<b>DEFERRED INFLOWS</b>	<b>1,277,144,280</b>	<b>1,038,949,132</b>	<b>22.93 %</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,029,370,125	6,666,852,110	5.44 %
Restricted, Non-Expendable	181,015,931	204,781,419	(11.61)%
Restricted, Expendable	265,970,604	218,195,579	21.90 %
Unrestricted (Deficit)	(5,442,417,258)	(5,483,315,649)	0.75 %
<b>TOTAL NET POSITION</b>	<b>\$ 2,033,939,402</b>	<b>\$ 1,606,513,459</b>	<b>26.61 %</b>

(1) The amounts reported for fiscal year 2018 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

## Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues received and expenses incurred during the year. Activities are reported as either operating or non-operating. Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the USG, both operating and non-operating, and the expenses paid by the USG, operating and non-operating, and any other revenues, expenses, gains or losses received or spent by the USG.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the USG. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the USG. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the legislature to the USG without the legislature directly receiving commensurate goods or services for those revenues. State capital grants and gifts and other capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "Income (loss) before other revenues, expenses, gains or losses".



Some highlights of the information presented on the Statement of Revenues, Expenses and Changes in Net Position are as follows:

<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>	<b>June 30, 2019</b>	<b>June 30, 2018<sup>(1)</sup></b>	<b>% Change</b>
Operating Revenue	\$ 5,532,092,809	\$ 5,210,409,894	6.17 %
Operating Expense	8,623,637,908	8,237,924,034	4.68 %
Operating Income/Loss	(3,091,545,099)	(3,027,514,140)	(2.11)%
Non-Operating Revenue and Expense	3,100,564,463	2,992,032,012	3.63 %
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Special Items	9,019,364	(35,482,128)	125.42 %
Other Revenues, Expenses, Gains, Losses	364,597,880	287,656,654	26.75 %
Special Items	52,770,005	(30,284,826)	274.25 %
Change in Net Position	426,387,249	221,889,700	92.16 %
Net Position at beginning of year, restated	1,607,552,153	1,384,623,759	16.10 %
Net Position at End of Year	\$ 2,033,939,402	\$ 1,606,513,459	26.61 %

(1) The amounts reported for fiscal year 2018 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

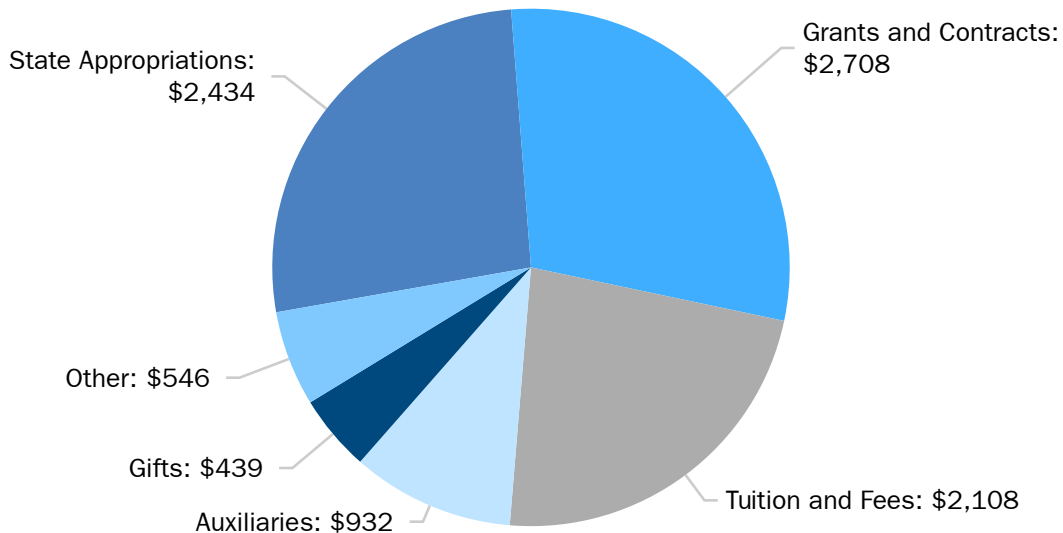
The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year as represented by an increase in Change in Net Position for fiscal year 2019.

**Revenues**

In fiscal year 2019, state appropriations increased \$120 million (5.18%), grants and contracts revenue increased \$188 (7.46%) million in fiscal year 2019, net tuition and fee revenues increased \$18 million (.88%).

Revenue by source (state appropriations, grants and contracts, tuition and fees, auxiliaries, gifts and other sources) is depicted by the following chart:

Revenue by Source (in millions)



For the years ended June 30, 2019 and June 30, 2018, revenues by source were as follows:

<b>REVENUES BY SOURCE</b>	<b>June 30, 2019</b>	<b>June 30, 2018<sup>(1)</sup></b>	<b>% Change</b>
Tuition and Fees	\$ 2,108,520,037	\$ 2,090,092,615	0.88 %
Federal Appropriations	21,289,268	20,546,064	3.62 %
Grants and Contracts	1,993,029,057	1,809,183,944	10.16 %
Sales and Services	265,330,239	206,733,164	28.34 %
Auxiliary Enterprises	932,353,737	909,392,256	2.52 %
Other Operating Revenues	211,570,471	174,461,851	21.27 %
<b>Total Operating Revenues</b>	<b>5,532,092,809</b>	<b>5,210,409,894</b>	<b>6.17 %</b>
State Appropriations	2,434,474,803	2,314,491,667	5.18 %
Grants and Contracts	693,921,040	690,539,065	0.49 %
Gifts	75,353,258	85,985,306	(12.36)%
Investment Income	66,677,756	45,118,028	47.79 %
<b>Total Nonoperating Revenues</b>	<b>3,270,426,857</b>	<b>3,136,134,066</b>	<b>4.28 %</b>
State Capital Gifts and Grants	340,768,312	265,811,845	28.20 %
Other Capital Gifts and Grants	22,529,209	21,501,194	4.78 %
<b>Total Capital Gifts and Grants</b>	<b>363,297,521</b>	<b>287,313,039</b>	<b>26.45 %</b>
Additions to Permanent and Term Endowments	1,300,359	343,615	
Other Nonoperating Revenue	—	593,629	
<b>Total Revenues</b>	<b>\$ 9,167,117,546</b>	<b>\$ 8,634,794,243</b>	<b>6.16 %</b>

(1) The amounts reported for fiscal year 2018 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

### Expenses

For the years ended June 30, 2019 and June 30, 2018, expenses by functional classification were as follows:

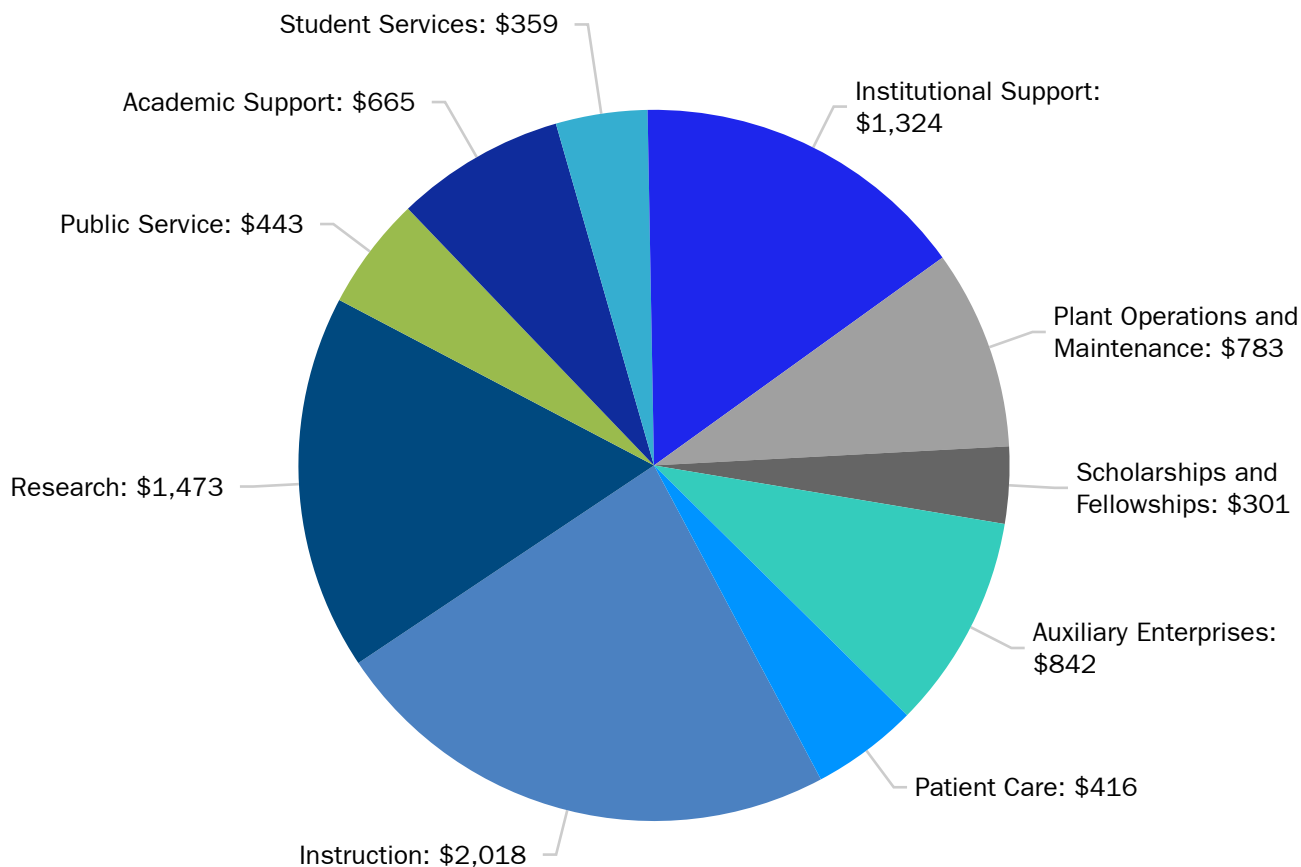
<b>EXPENSES BY FUNCTIONAL CLASSIFICATION</b>	<b>June 30, 2019</b>	<b>June 30, 2018<sup>(1)</sup></b>	<b>% Change</b>
Instruction	\$ 2,017,527,382	\$ 2,003,013,098	0.72 %
Research	1,472,916,229	1,399,514,297	5.24 %
Public Service	442,630,398	433,276,260	2.16 %
Academic Support	664,965,638	627,423,736	5.98 %
Student Services	359,077,696	358,362,807	0.20 %
Institutional Support	1,323,922,858	1,232,474,231	7.42 %
Plant Operations and Maintenance	783,172,411	701,503,860	11.64 %
Scholarships and Fellowships	301,388,665	275,405,110	9.43 %
Auxiliary Enterprises	841,835,875	831,510,746	1.24 %
Patient Care	416,200,756	375,439,889	10.86 %
<b>Total Operating Expenses</b>	<b>8,623,637,908</b>	<b>8,237,924,034</b>	<b>4.68 %</b>
Interest Expense	139,195,925	144,695,683	(3.80)%
Other Nonoperating Expense	30,666,469		
<b>Total Expenses</b>	<b>\$ 8,793,500,302</b>	<b>\$ 8,382,619,717</b>	<b>4.90 %</b>

(1) The amounts reported for fiscal year 2018 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

Total operating expenses were \$8.6 billion in fiscal year 2019, an increase of \$386 million (4.68%) when compared with fiscal year 2018. The increases in the following functional classifications were primarily attributable to increases in salaries and benefits: Research (\$73 million), Public Service (\$9 million), Academic Support (\$37 million), Plant Operations (\$82 million), Scholarships and Fellowships (\$25 million), and Patient Care (\$41 million). The increases in salaries and benefits are attributable to increases in OPEB expenses, faculty and staff increases and merit increases. The increase in Institutional Support (\$91 million) was primarily attributable to increases in benefit claims expense and an additional transfer to the Board of Regents Retiree Health Benefit Fund.

The following chart depicts the fiscal year 2019 operating expenses by functional classification.

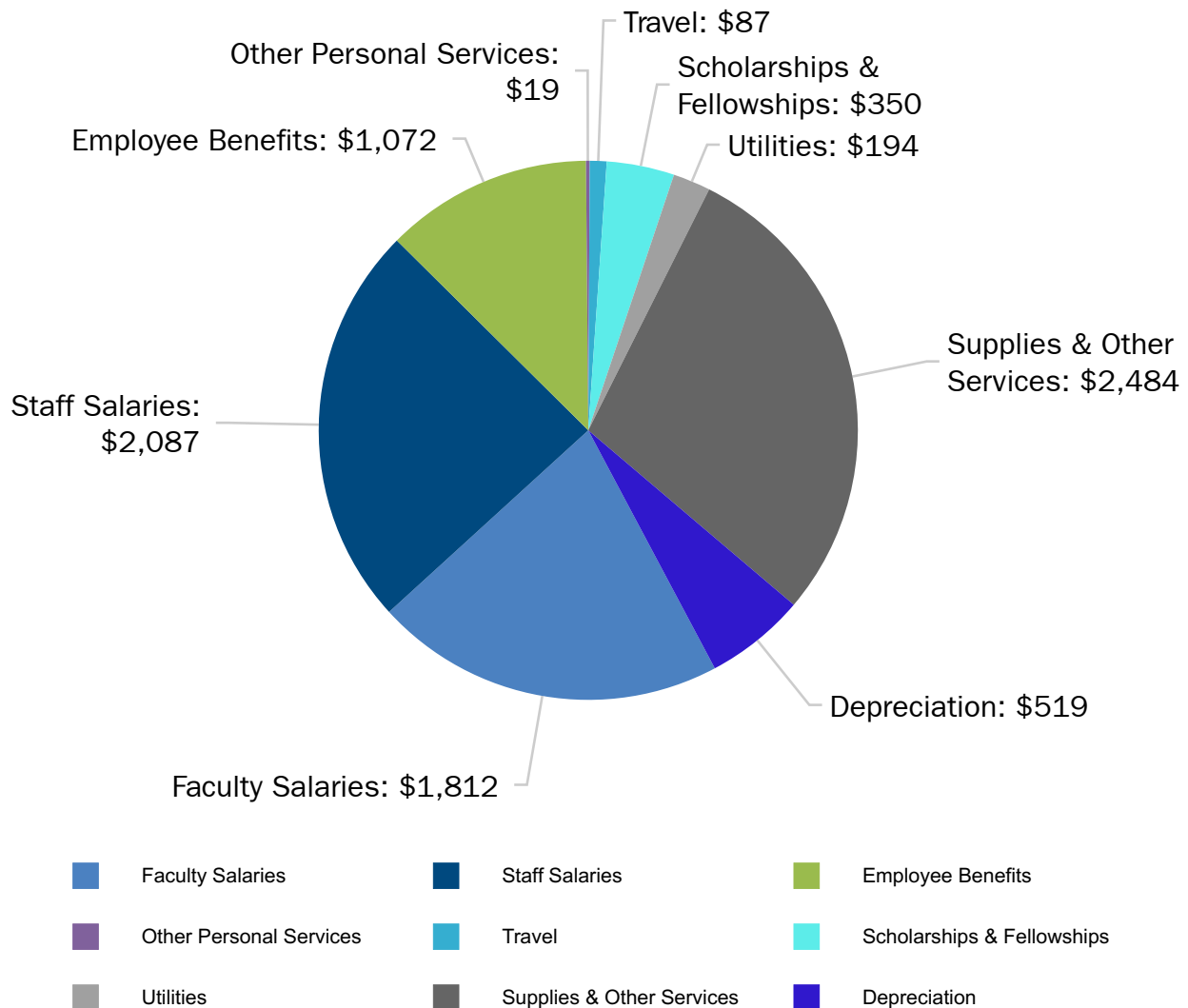
### Operating Expenses by Functional Classification (in millions)





The following chart depicts the fiscal year 2019 operating expenses by natural classification.

## Operating Expenses by Natural Classification (in millions)



### Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the USG during the year and is divided into five sections. The first section is concerned with operating cash flows and reflects the net cash used by the various operating activities of the USG. The second section is related to cash flows from non-capital financing activities, which reflects the cash received and spent for non-capital financing purposes. The third section summarizes cash flows from capital and related financing activities and contains cash used for the acquisition and construction of capital and related items. The fourth section is comprised of the cash flows from investing activities and includes the purchases, proceeds and interest received from investing activities. The fifth, and final, section reconciles the net cash used to the operating income or loss as reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash flows for the years ended June 30, 2019 and 2018, condensed, were as follows:

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2019	June 30, 2018
Cash and Cash Equivalents Provided (Used) by:		
Operating Activities	\$ (2,503,201,212)	\$ (2,388,454,869)
Non-Capital Financing Activities	3,133,143,121	3,054,817,788
Capital and Related Financing Activities	(612,019,643)	(641,619,722)
Investing Activities	62,849,158	23,480,441
<b>NET CHANGE IN CASH and CASH EQUIVALENTS</b>	<b>\$ 80,771,424</b>	<b>\$ 48,223,638</b>
Cash and Cash Equivalents, beginning of year	1,570,161,439	1,521,937,801
<b>CASH and CASH EQUIVALENTS, end of year</b>	<b>\$ 1,650,932,863</b>	<b>\$ 1,570,161,439</b>

### Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2019 and June 30, 2018 were as follows:

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2019	June 30, 2018 <sup>(1)</sup>	Increase (Decrease)	% Change
Land	\$ 428,693,618	\$ 409,861,751	\$ 18,831,867	4.59 %
Capitalized Collections	55,188,954	51,924,925	3,264,029	6.29 %
Construction Work-in-Progress	197,273,705	231,606,547	(34,332,842)	(14.82)%
Software Development-in-Progress	5,505,088	12,266,427	(6,761,339)	(55.12)%
Infrastructure	235,135,383	216,612,720	18,522,663	8.55 %
Building and Building Improvements	8,369,075,255	8,094,599,134	274,476,121	3.39 %
Facilities and Other Improvements	157,934,643	160,311,999	(2,377,356)	(1.48)%
Equipment	472,303,642	458,287,532	14,016,110	3.06 %
Library Collections	166,496,000	175,573,379	(9,077,379)	(5.17)%
Capitalized Collections	4,757,089	5,062,603	(305,514)	(6.03)%
Software	88,522,660	62,296,889	26,225,771	42.10 %
<b>Capital Assets, net of accumulated depreciation</b>	<b>\$ 10,180,886,037</b>	<b>\$ 9,878,403,906</b>	<b>\$ 302,482,131</b>	<b>3.06 %</b>

(1) The amounts reported for fiscal year 2018 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

As shown above, capital assets, net of accumulated depreciation increased \$302 million during fiscal year 2019 when compared with fiscal year 2018.

Major building additions totaled \$561 million. These additions included a Cancer Research Building at Augusta University, an Academic Building at Columbus State University, an Academic Building at Georgia Gwinnett College, a Student Academic Center at Georgia Highlands College, an Academic Building at Georgia Southern University, an Academic Center at Georgia Southern University, Teaching Labs at the University of West Georgia, and a Business Learning Community at the University of Georgia.

For additional information concerning Capital Assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

### Long-Term Liabilities

The University System of Georgia had Long-Term Liabilities of \$3.1 billion of which \$274 million was reflected as a current liability at June 30, 2019. Included in Long-Term Liabilities are lease purchase obligations of \$2.9 billion.

The net pension liability and OPEB obligation are actuarially determined estimates of future post-employment costs. See Note 14 in the Notes to Financial Statements for additional information related to net pension liability. See Note 17 in the Notes to Financial Statements for additional information related to the OPEB liability.

In fiscal year 2018, the USG adopted GASB Statement No. 75. The USG reported a net OPEB liability of \$4.2 billion related to the Board of Regents Retiree Health Benefit Plan. The net OPEB liability at June 30, 2019 was \$4.4 billion which included a net increase of \$191 million.

Lease purchase obligations decreased \$58 million during the current fiscal year. Principal and interest payments were \$131.6 million and \$140.7, respectively for the USG.

For additional information concerning Long-Term Liabilities, see Note 8 in the Notes to the Financial Statements.

### **Notes to the Financial Statements**

The Notes to the Financial Statements are an integral part of the basic financial statements and communicate information essential for fair presentation. For example, the notes convey information concerning significant accounting policies used to prepare the financial statements, detailed information on cash and investments, receivables, capital leases, compensated absences, retirement and other post-employment benefits, capital assets and a report of operating expenses by function.

### **Retiree Health Benefit Fund**

The University System Office is the custodian of the Board of Regents Retiree Health Benefit Fund. This fund was authorized pursuant to the Official Code of Georgia Annotated Section 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of post-employment health insurance benefits.

For additional information concerning the Retiree Health Benefit Fund, please refer to Note 15 and 17 in the Notes to Financial Statements.

### **Early Retirement Pension Plan Fund - Augusta University**

Augusta University Early Retirement Pension Plan (ERP) is a single-employer defined benefit pension plan administered by Bryan, Pendleton, Swats and McAlister. The plan was devised by Augusta University as a means of manpower reduction and was approved by the Board of Regents of the University System of Georgia effective January 1, 2000.

For additional information concerning the Early Retirement Pension Fund, please refer to Note 14 in the Notes to Financial Statements.

### **Affiliated Organizations**

System-wide, there were 25 affiliated organizations that met one or more criteria for inclusion as component units of the State of Georgia in compliance with GASB Statement No. 14, as amended. These 25 affiliated organizations are included as component units in the University System of Georgia consolidated annual financial statements as they have been determined essential to the fair presentation to these departmental statements. All system-wide affiliated organizations including the 25 previously mentioned are included in the supplementary information section.

### **Economic Outlook**

USG's overarching mission is knowledge, to create it through research, transfer it through teaching and apply it through service. Just as knowledge drives innovation, innovation drives the economy. Why does this matter for Georgia? There is a direct relationship between knowledge, education attainment and economic competitiveness. An educated workforce is the No. 1 priority of businesses considering moving to Georgia, and USG plays a key role in working with industry to fulfill the need for talent with high-priority skills. By 2025, over 60% of jobs in Georgia will require some form of postsecondary education. As of 2018 (the most recent year for which data is available), only about 50% of the Georgia workforce met this requirement. At the same time, during the recovery from the Great Recession, research has shown that of the 11.6 million jobs created, 99% of them - or 11.5 million jobs - went to workers with at least some post-secondary education; and about 70% of them went to workers with at least a bachelor's degree. Thus, USG remains a vital link for Georgia's economic success, both now and in the future.

It also continues to see modest enrollment increases. Fall 2019 enrollment at USG's 26 colleges and universities totaled 333,507 students, an increase of 1.5% (or 4,795 more students) over the previous year. This continues a six-year trend of modest increases in student enrollment and also marks the fifth consecutive year that enrollment continued to reach an all-time high in USG's total student enrollment.





FINANCIAL  
STATEMENTS



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	University System of Georgia	Component Units
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,385,282,311	\$ 387,225,919
Cash and Cash Equivalents (Externally Restricted)	262,314,825	88,766,891
Short-term Investments	72,567,261	90,582,188
Short-term Investments (Externally Restricted)	519,191	154,442,586
Accounts Receivable, net		
Federal Financial Assistance	83,229,010	4,304,155
Affiliated Organizations	13,390,148	174,013
Component Units	271,862,640	—
Primary Government	—	14,228,427
Pledges and Contributions	—	73,008,955
Other	289,879,395	411,811,830
Notes Receivable, net	—	716,632
Due From Other Funds	—	249,362
Investment in Capital Leases - Primary Government	—	92,116,435
Investment in Capital Leases - Other	—	372,456
Inventories	22,140,409	20,646,799
Prepaid Items	64,764,430	39,539,728
Other Assets	5,237,996	30,445,162
<b>Total Current Assets</b>	<b>2,471,187,616</b>	<b>1,408,631,538</b>
<b>Non-Current Assets</b>		
Accounts Receivable, net		
Affiliated Organizations	1,655,106	—
Component Units	3,630,038	—
Pledges and Contributions	—	149,160,756
Other	—	34,336,434
Investments	197,694,631	751,586,834
Notes Receivable, net	33,602,430	—
Investment in Capital Leases - Primary Government	—	2,273,011,955
Investment in Capital Leases - Other	—	19,144,911
Other Assets	—	44,126,969
Non-current Cash (Externally Restricted)	3,335,727	263,607,135
Short-term Investments (Externally Restricted)	34,175	3,543,390
Investments (Externally Restricted)	249,941,368	3,105,393,202
Capital Assets, net	10,180,886,037	1,238,477,771
<b>Total Non-Current Assets</b>	<b>10,670,779,512</b>	<b>7,882,389,357</b>
<b>TOTAL ASSETS</b>	<b>13,141,967,128</b>	<b>9,291,020,895</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,242,647,053</b>	<b>\$ 50,520,218</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	University System of Georgia	Component Units
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 206,826,787	\$ 91,378,486
Salaries Payable	29,919,849	15,136,689
Benefits Payable	45,014,583	8,080
Contracts Payable	20,287,350	451,448
Retainage Payable	9,084,566	5,005,761
Interest Payable	2,332,424	37,671,848
Due to Affiliated Organizations	3,153,269	9,722
Due to Component Units	14,228,427	—
Due to Primary Government	—	271,862,640
Due to Other Funds	—	248,609
Advances (Including Tuition and Fees)	219,528,317	128,511,065
Deposits	14,060,518	40,386,356
Deposits Held for Other Organizations	87,524,687	43,337,828
Other Liabilities	3,672,550	10,887,992
Notes and Loans Payable	1,141,335	96,692,251
Lease Purchase Obligations - External	20,252,520	8,983,816
Lease Purchase Obligations - Component Units	92,116,435	—
Revenue Bonds and Notes Payable	—	130,329,368
Liabilities Under Split Interest Agreements	—	2,396,557
Pollution Remediation	1,146,441	—
Claims and Judgments	2,378,631	1,000,000
Compensated Absences	156,613,255	21,341,066
<b>Total Current Liabilities</b>	<b>929,281,944</b>	<b>905,639,582</b>
<b>Non-Current Liabilities</b>		
Due to Affiliated Organizations	—	290,674
Due to Primary Government	—	3,630,038
Due to Other Funds	—	1,672,052
Advances (Including Tuition and Fees)	11,465,159	15,141,815
Other Liabilities	—	32,116,715
Notes and Loans Payable	11,619,602	178,374,242
Lease Purchase Obligations - External	469,990,448	74,566,074
Lease Purchase Obligations - Component Units	2,273,011,955	—
Revenue Bonds and Notes Payable	—	3,164,340,614
Liabilities Under Split Interest Agreements	—	26,523,480
Interest Rate Swap	—	37,493,371
Claims and Judgments	3,485,065	580,624
Compensated Absences	74,790,244	—
Net Other Post Employment Benefits Liability	4,410,751,099	6,758,623
Net Pension Liability	2,889,134,983	—
<b>Total Non-Current Liabilities</b>	<b>10,144,248,555</b>	<b>3,541,488,322</b>
<b>TOTAL LIABILITIES</b>	<b>11,073,530,499</b>	<b>4,447,127,904</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 1,277,144,280</b>	<b>\$ 16,363,042</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	University System of Georgia	Component Units
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 7,029,370,125	\$ 310,914,736
Restricted for:		
Nonexpendable	181,015,931	2,445,728,311
Expendable	265,970,604	1,147,673,833
Unrestricted (Deficit)	(5,442,417,258)	973,733,287
<b>TOTAL NET POSITION</b>	<b>\$ 2,033,939,402</b>	<b>\$ 4,878,050,167</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	University System of Georgia	Component Units
<b>OPERATING REVENUES</b>		
Student Tuition and Fees	\$ 2,765,126,048	\$ —
Scholarship Allowance	(656,606,011)	—
Federal Appropriations	21,289,268	—
Grants and Contracts		
Federal	978,970,104	972,960,891
State	353,332,338	20,369,537
Other	660,726,615	176,386,374
Sales and Services	265,330,239	309,987,031
Patient Services		804,178,864
Rents and Royalties	8,505,013	242,240,082
Auxiliary Enterprises		
Residence Halls	346,838,155	—
Bookstore	54,052,693	—
Food Services	198,711,543	—
Parking/Transportation	92,292,166	—
Health Services	61,783,709	—
Intercollegiate Athletics	136,359,517	—
Other Organizations	42,315,954	—
Gifts and Contributions	—	182,545,467
Endowment Income	—	108,401,882
Other Operating Revenues	203,065,458	10,745,153
<b>Total Operating Revenues</b>	<b>5,532,092,809</b>	<b>2,827,815,281</b>
<b>OPERATING EXPENSES</b>		
Faculty Salaries	1,811,926,203	2,803,199
Staff Salaries	2,086,891,651	332,118,058
Employee Benefits	1,071,698,413	81,184,565
Other Personal Services	18,618,701	158,328,709
Travel	86,981,155	23,724,451
Scholarships and Fellowships	350,423,920	38,343,585
Utilities	194,040,545	10,022,140
Supplies and Other Services	2,483,891,050	1,997,857,804
Depreciation	519,166,270	70,097,382
<b>Total Operating Expenses</b>	<b>8,623,637,908</b>	<b>2,714,479,893</b>
<b>Operating Income (Loss)</b>	<b>\$ (3,091,545,099)</b>	<b>\$ 113,335,388</b>

The notes to the financial statements are an integral part of this statement.



**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	University System of Georgia	Component Units
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Appropriations	\$ 2,434,474,803	\$ 31,992,211
Grants and Contracts		
Federal	593,607,966	2,955,709
State	11,558,842	3,430,939
Other	88,754,232	—
Gifts	75,353,258	17,668,469
Investment Income	66,677,756	95,363,430
Interest Expense	(139,195,925)	(133,159,776)
Other Nonoperating Revenues (Expenses)	(30,666,469)	13,105,536
Net Nonoperating Revenues	3,100,564,463	31,356,518
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	9,019,364	144,691,906
Capital Grants and Gifts		
Federal	2,132,462	—
State	340,768,312	—
Other	20,396,747	18,466,737
Additions to Permanent and Term Endowments	1,300,359	80,954,405
Special Items	52,770,005	—
Total Other Revenues, Expenses, Gains or Losses	417,367,885	99,421,142
Change in Net Position	426,387,249	244,113,048
Net Position, Beginning of Year, As Originally Reported	1,606,513,459	4,637,744,258
Prior Year Adjustments	1,038,694	(3,807,139)
Net Position, Beginning of Year, Restated	1,607,552,153	4,633,937,119
Net Position, End of Year	\$ 2,033,939,402	\$ 4,878,050,167

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>University System of Georgia</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Payments from Customers	\$ 3,439,477,954
Federal Appropriations	21,289,268
Grants and Contracts (Exchange)	1,977,645,629
Payments to Suppliers	(3,642,168,531)
Payments to Employees	(3,954,710,525)
Payments for Scholarships and Fellowships	(350,423,921)
Loans Issued to Students	(7,318,517)
Collection of Loans from Students	11,663,615
Other Receipts	1,366,223
Other Payments	(22,407)
Net Cash Used by Operating Activities	<u>(2,503,201,212)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State Appropriations	2,434,474,803
Agency Funds Transactions - Receipts	6,258,203,803
Agency Funds Transactions - Disbursements	(6,297,015,672)
Gifts and Grants Received for Other Than Capital Purposes	746,736,554
Transfer of Endowments to Affiliated Organization	(43,009)
Other Noncapital Financing Receipts	11,735,189
Other Noncapital Financing Payments	(20,948,547)
Net Cash Flows Provided by Non-capital Financing Activities	<u>3,133,143,121</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Gifts and Grants Received	67,069,239
Proceeds from Sale of Capital Assets	18,529,619
Purchases of Capital Assets	(423,170,566)
Additional Payments Necessary to Pay-Off of Capital Debt and Leases Early	(942,687)
Principal Paid on Capital Debt and Leases	(132,737,059)
Interest Paid on Capital Debt and Leases	(140,768,189)
Net Cash Used by Capital and Related Financing Activities	<u>(612,019,643)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from Sales and Maturities of Investments	1,320,873,520
Investment Income	64,384,743
Purchase of Investments	(1,322,409,105)
Net Cash Provided by Investing Activities	<u>62,849,158</u>
Net Increase in Cash and Cash Equivalents	80,771,424
Cash and Cash Equivalents - Beginning of Year	<u>1,570,161,439</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,650,932,863</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

University System of Georgia

RECONCILIATION OF OPERATING LOSS TO  
NET CASH USED BY OPERATING ACTIVITIES:

Operating Loss	\$	(3,091,545,099)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities		
Depreciation		519,166,270
Operating Expenses Related to Noncash Gifts		6,279,601
Change in Assets and Liabilities:		
Receivables, net		(86,141,778)
Inventories		850,696
Prepaid Items		2,063,257
Other Assets		11,421
Notes Receivable, Net		4,405,867
Accounts Payable		36,292,980
Salaries Payable		(4,380,492)
Benefits Payable		8,988,519
Contracts Payable		(1,756,762)
Retainage Payable		515,883
Deposits		(430,704)
Advances (Including Tuition and Fees)		(17,737,171)
Other Liabilities		(5,595,780)
Funds Held for Others		80,144
Compensated Absences		2,383,034
Due to Affiliated Organizations		5,959,511
Pollution Remediation		60,601
Claims and Judgments		4,057,784
Net Pension Liability		23,701,257
Other Post-Employment Benefit Liability		191,025,227
Change in Deferred Outflows and Inflows of Resources:		
Deferred Outflows of Resources		(384,706,276)
Deferred Inflows of Resources		283,250,798
		<hr/>
Net Cash Used by Operating Activities	\$	<u>(2,503,201,212)</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

University System of Georgia

NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND  
RELATED FINANCING TRANSACTIONS

Noncapital Financing Activities Noncash Items:

Noncapital Gifts

\$ 15,123,802

Current Year Accruals Related to Non-operating Non-capital Grants and Gifts. Non-operating Non-capital Grants and Gifts Receivables decreased \$8,163,909 during the fiscal year.

\$ 18,428,781

Amortization of Non-capital Financing Activities Advances and Deferred Inflows. Non-capital Financing Activities Advances and Deferred Inflows decreased \$16,960,455 during the fiscal year.

\$ 18,621,966

New Non-Capital Financing Debt

\$ 6,448,462

Capital Financing Activities Noncash Items:

Current Year Accruals Related to Capital Financing Activities. Capital Grants and Gifts Receivables increased \$650,574 during the fiscal year.

\$ 9,483,284

Gift of Capital Assets, which includes Capital Grants of \$286,719,549 and Special Items of \$97,644,818.

\$ 384,364,367

Gain (Loss) on Disposal of Capital Assets, which includes a Special Item Transfer of \$44,966,516 and disposal of Construction Work-in-Progress of \$1,039,872.

\$ (70,553,221)

Accrual of Capital Asset Related Payables. Capital Asset related Payables decreased \$5,208,442 during the fiscal year.

\$ 27,936,428

Capital Assets Acquired Through Prepaid Capital. Prepaid Capital Assets decreased \$9,050,947 during the fiscal year.

\$ 13,498,653

Capital Assets Acquired by Incurring Capital Lease Obligations

\$ 76,468,790

Deferred Gain (Loss) due to Debt Refundings

\$ 8,430,904

Amortization of Deferred Gain (Loss) of Capital Debt Refunded

\$ 2,047,603

Increase in Capital Debt due to Capitalized Interest

\$ 625,083

Early Extinguishment of Capital Debt

\$ 1,031,792

Amortization of Capital Financing Activities Advances and Deferred Inflows

\$ 8,858,157

Accrual of Capital Financing Interest Payable. Capital Financing Interest Payable decreased \$211,513 during the fiscal year.

\$ 2,332,424

Other Capital Financing Activities Noncash Items

\$ (2,952,417)

Investing Activities Noncash Items:

Unrealized Gain (Loss) on Investments

\$ 2,293,013

The notes to the financial statements are an integral part of this statement.



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2019**

	Early Retirement Plan - Augusta University	Deferred Compensation Fund	Retiree Health Benefit Fund	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,475,805	\$ 338,473	\$ 21,428,956	\$ 25,243,234
Investments				
Mutual Bond Funds	19,801,055	716,599	—	20,517,654
Equity Mutual Funds - Domestic	47,890,518	1,095,009	—	48,985,527
Equity Mutual Funds - International	—	21,550	—	21,550
Equity Securities - Domestic	34,208,489	—	—	34,208,489
Guaranteed Investment Contracts	—	1,384,386	—	1,384,386
Pooled Investment	—	—	129,446,175	129,446,175
Other Investments	—	882,083	—	882,083
<b>Total Assets</b>	<b>105,375,867</b>	<b>4,438,100</b>	<b>150,875,131</b>	<b>260,689,098</b>
<b>LIABILITIES</b>				
Benefits Payable	—	—	6,420,703	6,420,703
<b>NET POSITION</b>				
Held in Trust for:				
Other Employment Benefits	—	4,438,100	—	4,438,100
Pension Benefits	105,375,867	—	—	105,375,867
Other Postemployment Benefits	—	—	144,454,428	144,454,428
<b>Total Net Position</b>	<b>\$ 105,375,867</b>	<b>\$ 4,438,100</b>	<b>\$ 144,454,428</b>	<b>\$ 254,268,395</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Early Retirement Plan - Augusta University	Deferred Compensation Fund	Retiree Health Benefit Fund	Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 13,084,672	\$ 501,733	\$ 160,383,000	\$ 173,969,405
Investment Income				
Dividends and Interest	2,215,229	133,081	3,844,456	6,192,766
Net Appreciation in Investments				
Reported at Fair Value	5,317,848	73,425	3,405,507	8,796,780
Less: Investment Expense	(164,247)	(13,301)	(123,943)	(301,491)
<b>Total Additions</b>	<b>20,453,502</b>	<b>694,938</b>	<b>167,509,020</b>	<b>188,657,460</b>
<b>DEDUCTIONS</b>				
Benefits	14,099,754	—	94,056,257	108,156,011
Premium Expense	—	—	4,506,889	4,506,889
Withdrawal	—	5,752,860	—	5,752,860
Administrative expense	—	—	536,437	536,437
<b>Total Deductions</b>	<b>14,099,754</b>	<b>5,752,860</b>	<b>99,099,583</b>	<b>118,952,197</b>
Change in Net Position Held in Trust for				
Pension and Other Employee Benefits	6,353,748	(5,057,922)	68,409,437	69,705,263
Net Position, Beginning of Year	99,022,119	9,496,022	76,044,991	184,563,132
<b>Net Position, End of Year</b>	<b>\$ 105,375,867</b>	<b>\$ 4,438,100</b>	<b>\$ 144,454,428</b>	<b>\$ 254,268,395</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	AU Health Systems, Inc.	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation, Inc.	Georgia Gwinnett College Foundation Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 4,315,878	\$ 5,443,768	\$ 82,451,606	\$ 20,779,697	\$ 2,758,460	\$ 1,904,325
Cash and Cash Equivalents (Externally Restricted)	3,489,218	—	1,121,058	325,688	—	—
Short-term Investments	1,525,924	—	42,765,506	—	—	—
Short-term Investments (Externally Restricted)	—	—	15,172,846	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	4,304,155	—	—	—	—
Affiliated Organizations	—	—	—	—	—	—
Component Units	—	—	—	—	—	—
Primary Government (Institution)	—	—	5,706,173	44,868	—	—
Pledges and Contributions	155,965	—	—	125,514	527,299	18,570
Other	58,655	—	159,350,401	51,591	2,197	7,755
Notes Receivable, net	—	—	—	16,471	—	—
Due From Other Funds	—	—	124,496	—	—	—
Investment in Capital Leases - Primary Government	2,075,695	—	1,226,662	1,339,267	814,219	12,179,953
Investment in Capital Leases - Other	—	—	—	—	—	—
Inventories	—	—	20,646,799	—	—	—
Prepaid Items	1,767	—	19,556,715	26,974	8,833	—
Other Assets	—	—	—	615,250	—	—
<b>Total Current Assets</b>	<b>11,623,102</b>	<b>9,747,923</b>	<b>348,122,262</b>	<b>23,325,320</b>	<b>4,111,008</b>	<b>14,110,603</b>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Component Units	—	—	—	—	—	—
Pledges and Contributions	96,513	—	—	574,921	634,924	11,200
Other	—	—	20,212,846	—	—	—
Investments	1,086,453	4,474,350	112,917,934	15,000	11,087,289	6,236,701
Investment in Capital Leases - Primary Government	29,510,311	—	21,292,862	63,256,401	81,516,434	149,185,856
Investment in Capital Leases - Other	—	—	—	15,675,000	—	—
Other Assets	194,775	—	5,416,198	522,376	1,173,124	10,400
Non-current Cash (Externally Restricted)	—	69,973	—	4,725,816	—	12,063,554
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	28,842,938	—	3,895,086	—	42,138,780	—
Capital Assets, net	—	—	251,547,353	84,282,460	1,210,801	8,262,388
<b>Total Non-Current Assets</b>	<b>59,730,990</b>	<b>4,544,323</b>	<b>415,282,279</b>	<b>169,051,974</b>	<b>137,761,352</b>	<b>175,770,099</b>
<b>TOTAL ASSETS</b>	<b>71,354,092</b>	<b>14,292,246</b>	<b>763,404,541</b>	<b>192,377,294</b>	<b>141,872,360</b>	<b>189,880,702</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	AU Health Systems, Inc.	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation, Inc.	Georgia Gwinnett College Foundation Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 433,805	\$ 155,642	\$ 75,690,993	\$ 441,095	\$ 1,005,327	\$ 3,332,196
Salaries Payable	—	—	9,325,924	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Interest Payable	—	—	—	—	—	—
Due to Affiliated Organizations	—	—	—	—	—	—
Due to Component Units	—	—	—	961,108	—	—
Due to Primary Government	303,793	4,249,535	66,784,070	3,986,288	896,193	123,919
Due to Other Funds	—	—	124,866	—	—	—
Advances (Including Tuition and Fees)	950,497	—	—	1,645,136	—	22,689
Deposits	—	—	—	184,298	—	—
Deposits Held for Other Organizations	—	—	—	—	3,483,719	—
Other Liabilities	—	18,979	9,528,152	295,671	—	—
Notes and Loans Payable	—	—	—	249,285	—	124,035
Lease Purchase Obligations - External	—	—	6,327,586	1,901,011	—	—
Revenue Bond/Mortgage Payable	1,025,000	—	5,165,000	1,085,000	2,975,000	3,995,000
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	20,521,811	—	—	—
Total Current Liabilities	<u>2,713,095</u>	<u>4,424,156</u>	<u>193,468,402</u>	<u>10,748,892</u>	<u>8,360,239</u>	<u>7,597,839</u>
<b>Non-Current Liabilities</b>						
Due to Affiliated Organizations	—	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—
Due to Primary Government	—	—	—	—	1,638,638	—
Due to Other Funds	—	—	—	—	—	—
Advances (Including Tuition and Fees)	6,727,384	—	—	4,849,822	—	—
Other Liabilities	—	—	17,505,364	522,376	—	—
Notes and Loans Payable	—	—	—	6,322,077	—	2,033,444
Lease Purchase Obligations - External	—	—	19,372,866	50,903,907	—	—
Revenue Bonds/Mortgage Payable	22,023,567	—	208,119,966	60,439,482	89,329,464	163,070,449
Liabilities Under Split Interest Agreements	—	—	—	—	771,766	—
Interest Rate Swap	—	—	20,085,401	—	6,489,668	—
Claims and Judgments	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	6,758,623	—	—	—
Total Non-Current Liabilities	<u>28,750,951</u>	<u>—</u>	<u>271,842,220</u>	<u>123,037,664</u>	<u>98,229,536</u>	<u>165,103,893</u>
<b>TOTAL LIABILITIES</b>	<u>31,464,046</u>	<u>4,424,156</u>	<u>465,310,622</u>	<u>133,786,556</u>	<u>106,589,775</u>	<u>172,701,732</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	—	—	53,293,543	22,871,446	1,210,801	8,262,388
Restricted for:						
Nonexpendable	19,652,615	—	—	—	21,089,242	3,323,020
Expendable	16,754,168	69,973	20,072,515	7,128,464	9,103,132	—
Unrestricted (Deficit)	3,483,263	9,798,117	224,727,861	28,590,828	3,879,410	5,593,562
<b>TOTAL NET POSITION</b>	<u>\$ 39,890,046</u>	<u>\$ 9,868,090</u>	<u>\$ 298,093,919</u>	<u>\$ 58,590,738</u>	<u>\$ 35,282,585</u>	<u>\$ 17,178,970</u>

The notes to the financial statements are an integral part of this statement.



**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	Georgia Health Sciences Foundation, Inc.	Georgia Southern University Housing Foundation, Inc.	Georgia State University Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc.	Georgia Tech Athletic Association
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 169,538	\$ 2,244,047	\$ 3,865,917	\$ 7,176,214	\$ 7,123,926	\$ 3,278,866
Cash and Cash Equivalents (Externally Restricted)	—	—	—	8,439,967	5,372,585	—
Short-term Investments	2,520,418	6,327,002	—	—	—	—
Short-term Investments (Externally Restricted)	9,925,571	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
Affiliated Organizations	—	—	—	—	—	—
Component Units	—	—	—	—	—	—
Primary Government (Institution)	892	—	1,149,746	—	2,854,710	—
Pledges and Contributions	1,972,673	—	8,878,856	4,726,801	—	5,742,113
Other	—	44,738	256,686	798,212	17,402,546	2,720,108
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	124,866	—	—	—	—	—
Investment in Capital Leases - Primary Government	—	9,322,364	—	3,588,630	2,437,273	—
Investment in Capital Leases - Other	—	—	—	—	—	—
Inventories	—	—	—	—	—	—
Prepaid Items	138,673	14,555	276,446	—	16,385,919	1,092,373
Other Assets	—	—	—	—	—	—
Total Current Assets	<u>14,852,631</u>	<u>17,952,706</u>	<u>14,427,651</u>	<u>24,729,824</u>	<u>51,576,959</u>	<u>12,833,460</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Component Units	—	—	—	—	—	—
Pledges and Contributions	138,873	—	—	6,823,492	—	14,053,703
Other	—	—	—	—	—	—
Investments	—	—	—	27,811,871	10,312,421	—
Investment in Capital Leases - Primary Government	—	203,795,245	—	114,101,675	67,595,383	—
Investment in Capital Leases - Other	—	—	—	—	—	—
Other Assets	—	—	—	4,904,918	—	728,445
Non-current Cash (Externally Restricted)	—	33,037,849	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	5,177,714	—	—	218,633,824	—	108,299,697
Capital Assets, net	2,295,000	1,620,000	593,509	15,271,982	7,880,627	170,382,079
Total Non-Current Assets	<u>7,611,587</u>	<u>238,453,094</u>	<u>593,509</u>	<u>387,547,762</u>	<u>85,788,431</u>	<u>293,463,924</u>
<b>TOTAL ASSETS</b>	<u>22,464,218</u>	<u>256,405,800</u>	<u>15,021,160</u>	<u>412,277,586</u>	<u>137,365,390</u>	<u>306,297,384</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ —	\$ —	\$ —	\$ —	\$ 7,937,156	\$ 15,109,831

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	Georgia Health Sciences Foundation, Inc.	Georgia Southern University Housing Foundation, Inc.	Georgia State University Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc.	Georgia Tech Athletic Association
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 49,253	\$ 3,809,222	\$ 430,932	\$ 4,206,947	\$ 1,769,519	\$ 3,939,769
Salaries Payable	—	—	26,845	—	—	—
Benefits Payable	—	—	8,080	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Interest Payable	—	—	—	—	—	—
Due to Affiliated Organizations	—	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—
Due to Primary Government	29,448	418,164	554,826	—	18,201,530	2,086,132
Due to Other Funds	123,743	—	—	—	—	—
Advances (Including Tuition and Fees)	190,790	—	1,270,632	1,270,067	—	556,166
Deposits	—	—	—	—	—	11,604,705
Deposits Held for Other Organizations	—	—	—	2,344,706	—	—
Other Liabilities	—	—	—	1,024,196	—	—
Notes and Loans Payable	—	—	—	—	—	948,461
Lease Purchase Obligations - External	—	—	18,838	—	—	330,603
Revenue Bond/Mortgage Payable	—	8,375,000	—	4,110,000	2,310,000	31,190,000
Liabilities Under Split Interest Agreements	90,485	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	1,000,000
Compensated Absences	—	—	375,255	—	—	—
Total Current Liabilities	<u>483,719</u>	<u>12,602,386</u>	<u>2,685,408</u>	<u>12,955,916</u>	<u>22,281,049</u>	<u>51,655,836</u>
<b>Non-Current Liabilities</b>						
Due to Affiliated Organizations	—	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—
Due to Primary Government	—	1,991,400	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	69,005	—	—	—	—
Other Liabilities	—	10,558	—	4,410,299	—	—
Notes and Loans Payable	—	—	—	—	—	13,188,112
Lease Purchase Obligations - External	—	—	16,345	—	—	836,364
Revenue Bonds/Mortgage Payable	—	208,900,686	—	125,267,927	78,352,524	183,068,586
Liabilities Under Split Interest Agreements	159,921	—	—	1,239,720	—	—
Interest Rate Swap	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	580,624
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Total Non-Current Liabilities	<u>159,921</u>	<u>210,971,649</u>	<u>16,345</u>	<u>130,917,946</u>	<u>78,352,524</u>	<u>197,673,686</u>
<b>TOTAL LIABILITIES</b>	<u>643,640</u>	<u>223,574,035</u>	<u>2,701,753</u>	<u>143,873,862</u>	<u>100,633,573</u>	<u>249,329,522</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	—	—	—	—	16,363,042	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	2,295,000	1,620,000	558,326	15,271,982	7,880,627	(44,070,216)
Restricted for:						
Nonexpendable	2,751,102	—	—	140,353,645	1,550,000	45,427,130
Expendable	13,964,220	33,037,849	3,011,977	91,393,983	7,315,223	77,320,731
Unrestricted (Deficit)	2,810,256	(1,826,084)	8,749,104	21,384,114	11,560,081	(6,599,952)
<b>TOTAL NET POSITION</b>	<u>\$ 21,820,578</u>	<u>\$ 32,831,765</u>	<u>\$ 12,319,407</u>	<u>\$ 268,403,724</u>	<u>\$ 28,305,931</u>	<u>\$ 72,077,693</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation	Middle Georgia State University Real Estate Foundation, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 8,923,721	\$ 6,894,000	\$ 111,814,086	\$ 20,976,524	\$ 1,071,411	\$ 1,259,396
Cash and Cash Equivalents (Externally Restricted)	15,358,356	14,343,000	—	—	89,941	—
Short-term Investments	—	—	—	11,808,911	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
Affiliated Organizations	174,013	—	—	—	—	—
Component Units	3,400,290	373,244	—	—	—	—
Primary Government (Institution)	82,356	3,286,171	—	136,670	57,711	—
Pledges and Contributions	—	24,234,000	—	3,795,285	517,721	—
Other	—	12,646,243	156,789,431	672,505	—	119,743
Notes Receivable, net	—	700,161	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases - Primary Government	9,784,695	9,809,177	—	8,443,863	—	787,064
Investment in Capital Leases - Other	—	—	372,456	—	—	—
Inventories	—	—	—	—	—	—
Prepaid Items	258,447	—	128,542	71,873	—	7,275
Other Assets	—	1,504,237	—	—	—	—
<b>Total Current Assets</b>	<b>37,981,878</b>	<b>73,790,233</b>	<b>269,104,515</b>	<b>45,905,631</b>	<b>1,736,784</b>	<b>2,173,478</b>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Component Units	5,415,000	—	—	—	—	—
Pledges and Contributions	—	69,989,000	—	6,532,146	1,027,500	—
Other	—	14,107,000	—	—	16,588	—
Investments	—	401,494,000	63	16,552,416	35,619,861	—
Investment in Capital Leases - Primary Government	202,569,553	116,872,823	—	211,334,317	—	31,675,308
Investment in Capital Leases - Other	—	—	3,469,912	—	—	—
Other Assets	3,293,750	23,518,944	—	—	240,966	—
Non-current Cash (Externally Restricted)	117,341,744	—	—	52,811,934	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	3,543,390
Investments (Externally Restricted)	—	1,470,060,000	—	37,975,707	221,076,112	—
Capital Assets, net	59,323,472	147,397,000	807,914	82,805,582	14,719,740	1,014,811
<b>Total Non-Current Assets</b>	<b>387,943,519</b>	<b>2,243,438,767</b>	<b>4,277,889</b>	<b>408,012,102</b>	<b>272,700,767</b>	<b>36,233,509</b>
<b>TOTAL ASSETS</b>	<b>425,925,397</b>	<b>2,317,229,000</b>	<b>273,382,404</b>	<b>453,917,733</b>	<b>274,437,551</b>	<b>38,406,987</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation	Middle Georgia State University Real Estate Foundation, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 7,816,725	\$ 5,328,962	\$ —	\$ 8,239,582	\$ 35,246	\$ 723,082
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	5,005,761	—	—	—	—	—
Interest Payable	—	—	—	—	—	—
Due to Affiliated Organizations	—	(28)	—	—	—	—
Due to Component Units	—	626,028	—	—	—	—
Due to Primary Government	15,771	9,376,038	93,378,155	1,324,742	80,312	26,082
Due to Other Funds	—	—	—	—	—	—
Advances (Including Tuition and Fees)	1,200,050	18,164,000	62,236,768	779,628	—	—
Deposits	—	242,000	—	29,678	—	—
Deposits Held for Other Organizations	—	—	40,893,012	80,051	—	—
Other Liabilities	—	—	—	—	20,994	—
Notes and Loans Payable	—	55,613,000	—	—	—	—
Lease Purchase Obligations - External	—	—	405,778	—	—	—
Revenue Bond/Mortgage Payable	11,818,000	12,065,000	—	12,575,000	—	800,000
Liabilities Under Split Interest Agreements	—	1,504,237	—	550	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	444,000	—	—	—	—
Total Current Liabilities	25,856,307	103,363,237	196,913,713	23,029,231	136,552	1,549,164
<b>Non-Current Liabilities</b>						
Due to Affiliated Organizations	—	290,674	—	—	—	—
Due to Component Units	—	113,714,697	—	—	—	—
Due to Primary Government	—	—	—	—	—	—
Due to Other Funds	—	5,629	—	—	—	—
Advances (Including Tuition and Fees)	8,398,867	—	—	—	—	—
Other Liabilities	—	9,363,000	—	—	—	—
Notes and Loans Payable	—	70,347,000	—	—	9,472,672	—
Lease Purchase Obligations - External	—	—	3,436,592	—	—	—
Revenue Bonds/Mortgage Payable	351,286,357	222,659,000	—	347,349,955	—	31,165,435
Liabilities Under Split Interest Agreements	—	15,522,763	—	2,265	818,690	—
Interest Rate Swap	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Total Non-Current Liabilities	359,685,224	431,902,763	3,436,592	347,352,220	10,291,362	31,165,435
<b>TOTAL LIABILITIES</b>	<b>385,541,531</b>	<b>535,266,000</b>	<b>200,350,305</b>	<b>370,381,451</b>	<b>10,427,914</b>	<b>32,714,599</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
<b>NET POSITION</b>						
Net Investment in Capital Assets	19,076,356	(12,793,068)	807,914	(34,864,945)	5,247,068	1,014,811
Restricted for:						
Nonexpendable	—	1,396,470,000	—	37,981,174	132,872,471	—
Expendable	9,692,846	192,397,000	—	29,381,899	90,841,621	—
Unrestricted (Deficit)	11,614,664	205,889,068	72,224,185	51,038,154	35,048,477	4,677,577
<b>TOTAL NET POSITION</b>	<b>\$ 40,383,866</b>	<b>\$ 1,781,963,000</b>	<b>\$ 73,032,099</b>	<b>\$ 83,536,282</b>	<b>\$ 264,009,637</b>	<b>\$ 5,692,388</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 57,831,568	\$ 2,602,149	\$ 28,640,409	\$ 1,509,047	\$ 1,116,937	\$ 468,042
Cash and Cash Equivalents (Externally Restricted)	—	13,512,095	—	4,658,278	5,139,624	16,917,081
Short-term Investments	—	24,908,997	—	—	725,430	—
Short-term Investments (Externally Restricted)	—	129,344,169	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
Affiliated Organizations	—	—	—	—	—	—
Component Units	1,375,675	2,555	—	—	—	—
Primary Government (Institution)	—	152,891	756,238	—	—	—
Pledges and Contributions	—	31,069,338	—	—	—	123,676
Other	2,101,222	2,903,823	55,728,822	391	—	—
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	8,533,296	4,160,305	2,887,974	12,796,529
Investment in Capital Leases - Other	—	—	—	—	—	—
Inventories	—	—	—	—	—	—
Prepaid Items	872,644	288,790	230,885	142,017	—	22,120
Other Assets	—	—	28,325,675	—	—	—
<b>Total Current Assets</b>	<b>62,181,109</b>	<b>204,784,807</b>	<b>122,215,325</b>	<b>10,470,038</b>	<b>9,869,965</b>	<b>30,327,448</b>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Component Units	—	—	—	—	—	—
Pledges and Contributions	—	48,261,818	—	—	—	1,016,666
Other	—	—	—	—	—	—
Investments	51,808,178	187,306,840	55,015,982	—	214,820	5,461,737
Investment in Capital Leases - Primary Government	—	—	223,082,949	123,550,026	111,292,376	382,752,777
Investment in Capital Leases - Other	—	—	—	—	—	—
Other Assets	305,118	2,680,881	962,074	175,000	—	—
Non-current Cash (Externally Restricted)	—	—	2,821,316	5,912,403	3,594,696	31,227,850
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	952,031,687	5,765,025	—	—	—
Capital Assets, net	323,545,121	35,913,480	20,046,315	5,047,332	—	2,097,069
<b>Total Non-Current Assets</b>	<b>375,658,417</b>	<b>1,226,194,706</b>	<b>307,693,661</b>	<b>134,684,761</b>	<b>115,101,892</b>	<b>422,556,099</b>
<b>TOTAL ASSETS</b>	<b>437,839,526</b>	<b>1,430,979,513</b>	<b>429,908,986</b>	<b>145,154,799</b>	<b>124,971,857</b>	<b>452,883,547</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,316,338</b>	<b>\$ —</b>	<b>\$ 14,156,893</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The notes to the financial statements are an integral part of this statement.



**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 328,078	\$ 383,591	\$ 2,013,499	\$ 2,559,333	\$ 1,043,795	\$ 2,892,161
Salaries Payable	5,783,920	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	451,448
Retainage Payable	—	—	—	—	—	—
Interest Payable	—	—	—	—	—	—
Due to Affiliated Organizations	—	—	9,750	—	—	—
Due to Component Units	2,555	1,375,675	—	—	—	—
Due to Primary Government	5,995,374	5,852,558	58,179,707	—	—	—
Due to Other Funds	—	—	—	—	—	—
Advances (Including Tuition and Fees)	37,373,561	1,242,449	2,084,538	407,215	—	—
Deposits	—	—	28,325,675	—	—	—
Deposits Held for Other Organizations	—	64,065,725	—	—	—	—
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	—	514,880	—	2,001,000	—	37,241,590
Lease Purchase Obligations - External	—	—	—	—	—	—
Revenue Bond/Mortgage Payable	2,885,000	—	9,485,000	3,091,368	3,225,000	9,950,000
Liabilities Under Split Interest Agreements	—	801,285	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Total Current Liabilities	<u>52,368,488</u>	<u>74,236,163</u>	<u>100,098,169</u>	<u>8,058,916</u>	<u>4,268,795</u>	<u>50,535,199</u>
<b>Non-Current Liabilities</b>						
Due to Affiliated Organizations	—	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—
Due to Primary Government	—	—	—	—	—	—
Due to Other Funds	—	1,666,423	—	—	—	—
Advances (Including Tuition and Fees)	—	—	1,824,121	—	—	—
Other Liabilities	305,118	—	—	—	—	—
Notes and Loans Payable	15,836,592	14,496,642	8,516,222	810,000	—	37,351,481
Lease Purchase Obligations - External	—	—	—	—	—	—
Revenue Bonds/Mortgage Payable	88,876,151	—	234,430,567	126,029,323	114,947,700	350,691,146
Liabilities Under Split Interest Agreements	—	8,008,355	—	—	—	—
Interest Rate Swap	3,737,734	2,325,789	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Total Non-Current Liabilities	<u>108,755,595</u>	<u>26,497,209</u>	<u>244,770,910</u>	<u>126,839,323</u>	<u>114,947,700</u>	<u>388,042,627</u>
<b>TOTAL LIABILITIES</b>	<u>161,124,083</u>	<u>100,733,372</u>	<u>344,869,079</u>	<u>134,898,239</u>	<u>119,216,495</u>	<u>438,577,826</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	225,525,982	20,901,958	11,530,093	5,047,332	—	—
Restricted for:						
Nonexpendable	—	643,785,937	—	—	—	471,975
Expendable	—	542,264,019	2,821,234	—	—	1,352,979
Unrestricted (Deficit)	64,505,799	123,294,227	84,845,473	5,209,228	5,755,362	12,480,767
<b>TOTAL NET POSITION</b>	<u>\$ 290,031,781</u>	<u>\$ 1,330,246,141</u>	<u>\$ 99,196,800</u>	<u>\$ 10,256,560</u>	<u>\$ 5,755,362</u>	<u>\$ 14,305,721</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	VSU Auxiliary Services Real Estate Foundation, Inc.	Elimination/ Consolidation Entries	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 2,606,387	\$ —	\$ 387,225,919
Cash and Cash Equivalents (Externally Restricted)	—	—	88,766,891
Short-term Investments	—	—	90,582,188
Short-term Investments (Externally Restricted)	—	—	154,442,586
Accounts Receivable, net			
Federal Financial Assistance	—	—	4,304,155
Affiliated Organizations	—	—	174,013
Component Units	—	(5,151,764)	—
Primary Government (Institution)	—	1	14,228,427
Pledges and Contributions	—	(8,878,856)	73,008,955
Other	156,762	(1)	411,811,830
Notes Receivable, net	—	—	716,632
Due From Other Funds	—	—	249,362
Investment in Capital Leases - Primary Government	5,248,287	(3,318,818)	92,116,435
Investment in Capital Leases - Other	—	—	372,456
Inventories	—	—	20,646,799
Prepaid Items	14,880	—	39,539,728
Other Assets	—	—	30,445,162
Total Current Assets	<u>8,026,316</u>	<u>(17,349,438)</u>	<u>1,408,631,538</u>
<b>Non-Current Assets</b>			
Accounts Receivable, net			
Component Units	—	(5,415,000)	—
Pledges and Contributions	—	—	149,160,756
Other	—	—	34,336,434
Investments	—	(175,829,082)	751,586,834
Investment in Capital Leases - Primary Government	160,371,065	(20,743,406)	2,273,011,955
Investment in Capital Leases - Other	—	(1)	19,144,911
Other Assets	—	—	44,126,969
Non-current Cash (Externally Restricted)	—	—	263,607,135
Short-term Investments (Externally Restricted)	—	—	3,543,390
Investments (Externally Restricted)	11,496,632	—	3,105,393,202
Capital Assets, net	227,338	2,186,398	1,238,477,771
Total Non-Current Assets	<u>172,095,035</u>	<u>(199,801,091)</u>	<u>7,882,389,357</u>
<b>TOTAL ASSETS</b>	<u>180,121,351</u>	<u>(217,150,529)</u>	<u>9,291,020,895</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 50,520,218</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
JUNE 30, 2019**

	VSU Auxiliary Services Real Estate Foundation	Elimination/ Consolidation Entries	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 2,421,583	\$ (37,671,851)	\$ 91,378,486
Salaries Payable	—	—	15,136,689
Benefits Payable	—	—	8,080
Contracts Payable	—	—	451,448
Retainage Payable	—	—	5,005,761
Interest Payable	—	37,671,848	37,671,848
Due to Affiliated Organizations	—	—	9,722
Due to Component Units	—	(2,965,366)	—
Due to Primary Government	—	3	271,862,640
Due to Other Funds	—	—	248,609
Advances (Including Tuition and Fees)	—	(883,121)	128,511,065
Deposits	—	—	40,386,356
Deposits Held for Other Organizations	—	(67,529,385)	43,337,828
Other Liabilities	—	—	10,887,992
Notes and Loans Payable	—	—	96,692,251
Lease Purchase Obligations - External	—	—	8,983,816
Revenue Bond/Mortgage Payable	4,205,000	—	130,329,368
Liabilities Under Split Interest Agreements	—	—	2,396,557
Claims and Judgments	—	—	1,000,000
Compensated Absences	—	—	21,341,066
Total Current Liabilities	<u>6,626,583</u>	<u>(71,377,872)</u>	<u>905,639,582</u>
<b>Non-Current Liabilities</b>			
Due to Affiliated Organizations	—	—	290,674
Due to Component Units	—	(113,714,697)	—
Due to Primary Government	—	—	3,630,038
Due to Other Funds	—	—	1,672,052
Advances (Including Tuition and Fees)	—	(6,727,384)	15,141,815
Other Liabilities	—	—	32,116,715
Notes and Loans Payable	—	—	178,374,242
Lease Purchase Obligations - External	—	—	74,566,074
Revenue Bonds/Mortgage Payable	158,332,329	—	3,164,340,614
Liabilities Under Split Interest Agreements	—	—	26,523,480
Interest Rate Swap	4,854,779	—	37,493,371
Claims and Judgments	—	—	580,624
Net Other Post Employment Benefits Liability	—	—	6,758,623
Total Non-Current Liabilities	<u>163,187,108</u>	<u>(120,442,081)</u>	<u>3,541,488,322</u>
<b>TOTAL LIABILITIES</b>	<u>169,813,691</u>	<u>(191,819,953)</u>	<u>4,447,127,904</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	—	—	16,363,042
<b>NET POSITION</b>			
Net Investment in Capital Assets	227,338	—	310,914,736
Restricted for:			
Nonexpendable	—	—	2,445,728,311
Expendable	—	(250,000)	1,147,673,833
Unrestricted (Deficit)	10,080,322	(25,080,576)	973,733,287
<b>TOTAL NET POSITION</b>	<u>\$ 10,307,660</u>	<u>\$ (25,330,576)</u>	<u>\$ 4,878,050,167</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Augusta University Foundation, Inc.	Augusta University Research Foundation, Inc.	AU Health Systems, Inc.	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation, Inc.	Georgia Gwinnett College Foundation Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ 49,041,572	\$ 667,250	\$ —	\$ —	\$ —
State	—	—	—	—	—	—
Other	26,536	11,293,495	—	27,576	—	—
Sales and Services	685,198	—	60,763,027	245,288	—	40,893
Patient Services			804,178,864			
Rents and Royalties	172,516	904,575	1,003,935	13,200,977	4,793,939	8,641,953
Gifts and Contributions	2,463,215	—	—	232,200	2,030,399	585,392
Endowment Income	1,748,811	—	—	—	892,193	—
Other Operating Revenues	—	—	—	810,140	370,921	—
<b>Total Operating Revenues</b>	<b>5,096,276</b>	<b>61,239,642</b>	<b>866,613,076</b>	<b>14,516,181</b>	<b>8,087,452</b>	<b>9,268,238</b>
<b>OPERATING EXPENSES</b>						
Faculty Salaries	184,583	—	—	—	—	—
Staff Salaries	986,491	—	291,359,223	384,665	498,183	—
Employee Benefits	329,444	—	76,950,571	—	—	—
Other Personal Services	129,890	—	156,834,367	—	—	17,683
Travel	183,877	—	1,341,565	—	101,644	142,367
Scholarships and Fellowships	582,643	—	1,096,824	—	827,873	264,900
Utilities	—	—	4,389,973	37,418	—	—
Supplies and Other Services	1,236,657	60,204,418	356,966,988	6,650,904	2,748,323	1,518,061
Depreciation	—	—	37,115,718	2,618,182	1,074	457
<b>Total Operating Expenses</b>	<b>3,633,585</b>	<b>60,204,418</b>	<b>926,055,229</b>	<b>9,691,169</b>	<b>4,177,097</b>	<b>1,943,468</b>
<b>Operating Income (Loss)</b>	<b>\$ 1,462,691</b>	<b>\$ 1,035,224</b>	<b>\$ (59,442,153)</b>	<b>\$ 4,825,012</b>	<b>\$ 3,910,355</b>	<b>\$ 7,324,770</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Augusta University Foundation, Inc.	Augusta University Research Foundation, Inc.	AU Health Systems, Inc.	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation, Inc.	Georgia Gwinnett College Foundation Inc.
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	\$ —	\$ —	\$ 31,992,211	\$ —	\$ —	\$ —
Grants and Contracts						
Federal	—	—	2,955,709	—	—	—
State	—	—	3,430,939	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	1,078,760	308,973	3,077,450	260,379	(500,333)	470,687
Interest Expense	(853,007)	—	(9,556,881)	(3,197,663)	(3,967,057)	(5,903,990)
Other Nonoperating Revenues (Expenses)	—	(2,028)	(9,673,002)	27,455,348	(4,200)	—
Net Nonoperating Revenues	225,753	306,945	22,226,426	24,518,064	(4,471,590)	(5,433,303)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	1,688,444	1,342,169	(37,215,727)	29,343,076	(561,235)	1,891,467
Capital Grants and Gifts						
Other	—	—	998,143	—	—	—
Additions to Permanent and Term Endowments	293,262	—	—	—	1,516,507	1,412,040
Total Other Revenues, Expenses, Gains or Losses	293,262	—	998,143	—	1,516,507	1,412,040
Change in Net Position	1,981,706	1,342,169	(36,217,584)	29,343,076	955,272	3,303,507
Net Position, Beginning of Year, Restated	37,908,340	8,525,921	334,311,503	29,247,662	34,327,313	13,875,463
Net Position, End of Year	\$ 39,890,046	\$ 9,868,090	\$ 298,093,919	\$ 58,590,738	\$ 35,282,585	\$ 17,178,970

The notes to the financial statements are an integral part of this statement.



**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia Health Sciences Foundation, Inc.	Georgia Southern University Housing Foundation, Inc.	Georgia State University Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc.	Georgia Tech Athletic Association
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ —	\$ 72,228,675	\$ —
State	—	—	—	—	1,451,137	—
Other	573,543	—	—	—	18,144,652	—
Sales and Services	403,278	—	24,607,707	—	—	56,398,194
Patient Services						
Rents and Royalties	12,300	10,907,866	974,893	18,001,804	3,134,301	9,280,181
Gifts and Contributions	9,085,214	—	6,713,238	20,275,927	—	3,528,289
Endowment Income	145,955	—	—	6,380,200	—	—
Other Operating Revenues	—	1,726,951	3,260,408	3,103,029	—	—
Total Operating Revenues	10,220,290	12,634,817	35,556,246	47,760,960	94,958,765	69,206,664
<b>OPERATING EXPENSES</b>						
Faculty Salaries	—	—	—	—	—	—
Staff Salaries	—	—	8,928,818	2,436,678	—	—
Employee Benefits	—	—	2,608,630	—	—	—
Other Personal Services	875,551	323,230	—	—	—	—
Travel	162,825	—	2,549,098	1,413,133	74,130	6,541,114
Scholarships and Fellowships	1,025,198	—	7,923,239	7,994,573	—	12,213,964
Utilities	—	—	1,783,820	—	6,651	—
Supplies and Other Services	7,941,531	2,309,799	14,521,134	40,503,112	91,833,484	58,043,026
Depreciation	—	—	91,622	647,101	707,419	7,709,956
Total Operating Expenses	10,005,105	2,633,029	38,406,361	52,994,597	92,621,684	84,508,060
Operating Income (Loss)	\$ 215,185	\$ 10,001,788	\$ (2,850,115)	\$ (5,233,637)	\$ 2,337,081	\$ (15,301,396)

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia Health Sciences Foundation, Inc.	Georgia Southern University Housing Foundation, Inc.	Georgia State University Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc.	Georgia Tech Athletic Association
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Gifts	—	—	—	—	750,000	907,869
Investment Income	395,465	618,419	41,682	6,948,382	748,849	7,264,560
Interest Expense	—	(8,398,868)	—	(3,770,674)	(2,687,677)	(12,735,466)
Other Nonoperating Revenues (Expenses)	—	—	—	—	732,244	—
<b>Net Nonoperating Revenues</b>	<b>395,465</b>	<b>(7,780,449)</b>	<b>41,682</b>	<b>3,177,708</b>	<b>(456,584)</b>	<b>(4,563,037)</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>610,650</b>	<b>2,221,339</b>	<b>(2,808,433)</b>	<b>(2,055,929)</b>	<b>1,880,497</b>	<b>(19,864,433)</b>
Capital Grants and Gifts						
Other	—	—	—	—	—	17,468,594
Additions to Permanent and Term Endowments	167,785	—	—	—	—	2,335,080
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>167,785</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19,803,674</b>
<b>Change in Net Position</b>	<b>778,435</b>	<b>2,221,339</b>	<b>(2,808,433)</b>	<b>(2,055,929)</b>	<b>1,880,497</b>	<b>(60,759)</b>
Net Position, Beginning of Year, Restated	21,042,143	30,610,426	15,127,840	270,459,653	26,425,434	72,138,452
<b>Net Position, End of Year</b>	<b>\$ 21,820,578</b>	<b>\$ 32,831,765</b>	<b>\$ 12,319,407</b>	<b>\$ 268,403,724</b>	<b>\$ 28,305,931</b>	<b>\$ 72,077,693</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation	Middle Georgia State University Real Estate Foundation, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ 726,175,147	\$ —	\$ —	\$ —
State	—	—	12,748,514	—	—	—
Other	571,661	—	93,274,355	—	—	—
Sales and Services	594,896	60,000	—	350,540	—	—
Patient Services						
Rents and Royalties	14,030,980	30,360,000	14,003,106	40,762,497	18,591	1,778,078
Gifts and Contributions	—	56,873,000	—	5,620,442	1,034,455	—
Endowment Income	—	58,329,751	—	1,179,819	6,261,026	—
Other Operating Revenues	—	—	—	—	442,972	—
<b>Total Operating Revenues</b>	<b>15,197,537</b>	<b>145,622,751</b>	<b>846,201,122</b>	<b>47,913,298</b>	<b>7,757,044</b>	<b>1,778,078</b>
<b>OPERATING EXPENSES</b>						
Faculty Salaries	—	—	—	—	2,618,616	—
Staff Salaries	—	2,449,000	—	3,068,011	1,071,574	—
Employee Benefits	—	706,000	—	—	94,304	—
Other Personal Services	—	101,000	—	46,988	—	—
Travel	—	79,000	112,207	3,061	183,585	—
Scholarships and Fellowships	—	—	—	2,622,282	2,200,954	—
Utilities	193,750	944,000	—	2,616,619	49,909	—
Supplies and Other Services	2,755,877	102,127,000	837,655,776	16,098,001	3,727,680	1,703,366
Depreciation	—	3,091,000	232,952	5,037,407	55,202	—
<b>Total Operating Expenses</b>	<b>2,949,627</b>	<b>109,497,000</b>	<b>838,000,935</b>	<b>29,492,369</b>	<b>10,001,824</b>	<b>1,703,366</b>
<b>Operating Income (Loss)</b>	<b>\$ 12,247,910</b>	<b>\$ 36,125,751</b>	<b>\$ 8,200,187</b>	<b>\$ 18,420,929</b>	<b>\$ (2,244,780)</b>	<b>\$ 74,712</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation	Middle Georgia State University Real Estate Foundation, Inc.
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	600,851	41,738,249	552,444	2,928,319	5,718,559	55,150
Interest Expense	(11,832,439)	(13,089,000)	—	(12,889,878)	—	(1,132,057)
Other Nonoperating Revenues (Expenses)	(18,211)	—	—	(1,031,791)	—	—
<b>Net Nonoperating Revenues</b>	<b>(11,249,799)</b>	<b>28,649,249</b>	<b>552,444</b>	<b>(10,993,350)</b>	<b>5,718,559</b>	<b>(1,076,907)</b>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	998,111	64,775,000	8,752,631	7,427,579	3,473,779	(1,002,195)
Capital Grants and Gifts						
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	—	23,754,000	—	2,199,101	2,882,525	—
Total Other Revenues, Expenses, Gains or Losses	—	23,754,000	—	2,199,101	2,882,525	—
Change in Net Position	998,111	88,529,000	8,752,631	9,626,680	6,356,304	(1,002,195)
Net Position, Beginning of Year, Restated	39,385,755	1,693,434,000	64,279,468	73,909,602	257,653,333	6,694,583
Net Position, End of Year	<u>\$ 40,383,866</u>	<u>\$ 1,781,963,000</u>	<u>\$ 73,032,099</u>	<u>\$ 83,536,282</u>	<u>\$ 264,009,637</u>	<u>\$ 5,692,388</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ 124,848,247	\$ —	\$ —	\$ —
State	—	—	6,169,886	—	—	—
Other	—	—	52,399,556	—	—	75,000
Sales and Services	154,272,670	11,018,437	—	—	—	546,903
Patient Services						
Rents and Royalties	—	1,117,504	27,785,611	6,553,011	6,194,639	19,652,389
Gifts and Contributions	—	72,700,642	—	115,275	—	2,204,808
Endowment Income	—	33,155,856	—	—	—	308,271
Other Operating Revenues	—	—	—	—	—	—
Total Operating Revenues	154,272,670	117,992,439	211,203,300	6,668,286	6,194,639	22,787,371
<b>OPERATING EXPENSES</b>						
Faculty Salaries	—	—	—	—	—	—
Staff Salaries	16,408,414	4,024,499	—	112,148	—	390,354
Employee Benefits	495,616	—	—	—	—	—
Other Personal Services	—	—	—	—	—	—
Travel	10,524,203	281,104	—	—	—	31,538
Scholarships and Fellowships	—	77,000	—	—	—	1,514,135
Utilities	—	—	—	—	—	—
Supplies and Other Services	110,784,142	82,321,284	197,860,655	723,517	436,209	1,117,347
Depreciation	11,294,829	1,234,672	114,324	145,467	—	—
Total Operating Expenses	149,507,204	87,938,559	197,974,979	981,132	436,209	3,053,374
Operating Income (Loss)	\$ 4,765,466	\$ 30,053,880	\$ 13,228,321	\$ 5,687,154	\$ 5,758,430	\$ 19,733,997

The notes to the financial statements are an integral part of this statement.



**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc.
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Gifts	16,010,600	—	—	—	—	—
Investment Income	1,437,603	18,230,068	2,874,824	19,300	210,178	198,717
Interest Expense	(3,379,796)	(1,055,888)	(9,901,906)	(3,506,754)	(4,958,664)	(14,691,346)
Other Nonoperating Revenues (Expenses)	1,109,233	733,491	(18,190)	—	—	(6,177,358)
<b>Net Nonoperating Revenues</b>	<b>15,177,640</b>	<b>17,907,671</b>	<b>(7,045,272)</b>	<b>(3,487,454)</b>	<b>(4,748,486)</b>	<b>(20,669,987)</b>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	19,943,106	47,961,551	6,183,049	2,199,700	1,009,944	(935,990)
Capital Grants and Gifts						
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	—	46,346,128	—	—	—	47,977
Total Other Revenues, Expenses, Gains or Losses	—	46,346,128	—	—	—	47,977
Change in Net Position	19,943,106	94,307,679	6,183,049	2,199,700	1,009,944	(888,013)
Net Position, Beginning of Year, Restated	270,088,675	1,235,938,462	93,013,751	8,056,860	4,745,418	15,193,734
Net Position, End of Year	<u>\$ 290,031,781</u>	<u>\$ 1,330,246,141</u>	<u>\$ 99,196,800</u>	<u>\$ 10,256,560</u>	<u>\$ 5,755,362</u>	<u>\$ 14,305,721</u>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	VSU Auxiliary Services Real Estate Foundation	Elimination/ Consolidation Entries	Total
<b>OPERATING REVENUES</b>			
Grants and Contracts			
Federal	\$ —	\$ —	\$ 972,960,891
State	—	—	20,369,537
Other	—	—	176,386,374
Sales and Services	—	—	309,987,031
Patient Services			804,178,864
Rents and Royalties	6,393,317	2,561,119	242,240,082
Gifts and Contributions	95,811	(1,012,840)	182,545,467
Endowment Income	—	—	108,401,882
Other Operating Revenues	1,030,732	—	10,745,153
<b>Total Operating Revenues</b>	<b>7,519,860</b>	<b>1,548,279</b>	<b>2,827,815,281</b>
<b>OPERATING EXPENSES</b>			
Faculty Salaries	—	—	2,803,199
Staff Salaries	—	—	332,118,058
Employee Benefits	—	—	81,184,565
Other Personal Services	—	—	158,328,709
Travel	—	—	23,724,451
Scholarships and Fellowships	—	—	38,343,585
Utilities	—	—	10,022,140
Supplies and Other Services	1,125,238	(5,055,725)	1,997,857,804
Depreciation	—	—	70,097,382
<b>Total Operating Expenses</b>	<b>1,125,238</b>	<b>(5,055,725)</b>	<b>2,714,479,893</b>
<b>Operating Income (Loss)</b>	<b>\$ 6,394,622</b>	<b>\$ 6,604,004</b>	<b>\$ 113,335,388</b>

The notes to the financial statements are an integral part of this statement.

**UNIVERSITY SYSTEM OF GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
COMPONENT UNITS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	VSU Auxiliary Services Real Estate Foundation	Elimination/ Consolidation Entries	Total
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State Appropriations	\$ —	\$ —	\$ 31,992,211
Grants and Contracts			
Federal	—	—	2,955,709
State	—	—	3,430,939
Gifts	—	—	17,668,469
Investment Income	85,895	—	95,363,430
Interest Expense	(5,650,765)	—	(133,159,776)
Other Nonoperating Revenues (Expenses)	—	—	13,105,536
	<u>—</u>	<u>—</u>	<u>13,105,536</u>
Net Nonoperating Revenues	(5,564,870)	—	31,356,518
	<u>—</u>	<u>—</u>	<u>—</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	829,752	6,604,004	144,691,906
	<u>829,752</u>	<u>6,604,004</u>	<u>144,691,906</u>
Capital Grants and Gifts			
Other	—	—	18,466,737
Additions to Permanent and Term Endowments	—	—	80,954,405
	<u>—</u>	<u>—</u>	<u>80,954,405</u>
Total Other Revenues, Expenses, Gains or Losses	—	—	99,421,142
	<u>—</u>	<u>—</u>	<u>99,421,142</u>
Change in Net Position	829,752	6,604,004	244,113,048
Net Position, Beginning of Year, Restated	9,477,908	(31,934,580)	4,633,937,119
	<u>9,477,908</u>	<u>(31,934,580)</u>	<u>4,633,937,119</u>
Net Position, End of Year	\$ 10,307,660	\$ (25,330,576)	\$ 4,878,050,167
	<u>\$ 10,307,660</u>	<u>\$ (25,330,576)</u>	<u>\$ 4,878,050,167</u>

The notes to the financial statements are an integral part of this statement.



# **UNIVERSITY SYSTEM OF GEORGIA**



# NOTES TO THE FINANCIAL STATEMENTS



# UNIVERSITY SYSTEM OF GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

### JUNE 30, 2019

#### Note 1 Summary of Significant Accounting Policies

##### Nature of Operations

The University System of Georgia (USG) serves Georgia and national communities by providing its students with academic instruction that advances fundamental knowledge and by disseminating knowledge to the people of Georgia, the nation, and throughout the world.

##### Reporting Entity

The USG, an organizational unit of the State of Georgia (primary government) (State), is comprised of twenty-six (26) State-supported member institutions of higher education in Georgia, the University System Office (USO), the Georgia Archives and the Georgia Public Library System. The USO is the custodian of the Board of Regents Retiree Health Benefit Fiduciary Fund and the Deferred Compensation Plan Fiduciary Fund. Augusta University, an organizational unit of the USG, is the custodian of the Early Retirement Plan Fiduciary Fund.

The Board of Regents of the University System of Georgia (Board) has constitutional authority to govern, control and manage the USG. The Board was created in 1931 as a part of a reorganization of Georgia's state government. With this act, public higher education in Georgia was unified for the first time under a single governing and management authority. The governor appoints members to the Board, who each serve seven years; regents may be reappointed to subsequent terms by a sitting governor. Regents donate their time and expertise to serve the State through their governance of the USG - the positions are voluntary ones without financial remuneration. Today, the Board is composed of 19 members, five of whom are appointed from the state-at-large, and one from each of the 14 congressional districts. The Board elects a chancellor who serves as its chief executive officer and the chief administrative officer of the USG.

The USG does not have the right to sue/be sued without recourse to the State. The USG's property is the property of the State and subject to all the limitations and restrictions imposed upon other property of the State by the Constitution and laws of the State. The USG is not legally separate from the State. Accordingly, the USG is included within the State's basic financial statements as part of the primary government as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The accompanying basic financial statements are intended to supplement the State's Comprehensive Annual Financial Report (CAFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the USG. In addition, certain discretely presented component units of the State, as discussed below, have been included since they have been determined to be essential to the fair presentation to these departmental financial statements. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2019, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's CAFR. The most recent State of Georgia CAFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at [sao.georgia.gov/comprehensive-annual-financial-reports](http://sao.georgia.gov/comprehensive-annual-financial-reports).

##### Discretely Presented Component Units

The below organizations are legally separate, tax-exempt component units of the State. Although the State (primary government) is not fiscally accountable for these entities, it has been determined that the nature and significance of the relationship between the primary government and the below organizations is such that exclusion from these departmental financial statements would render them misleading. The below organizations met the requirements for discrete presentation as defined by GASB Codification Sections 2100 and 2600. Each of the below organization's fiscal year ends on June 30 each year, except for VSU Auxiliary Services Real Estate Foundation, Inc. VSU Auxiliary Services Real Estate Foundation, Inc.'s fiscal year ends December 31 each year. Separately issued financial statements are available from the following addresses.



- Augusta University Foundation, Inc. and Subsidiaries, 1120 15th Street, FI-1049, Augusta, GA, 30912
- Augusta University Research Institute, Inc., 1120 15th Street, AA 311, Richmond, Augusta, GA, 30912-4810
- AU Health Systems, Inc. d/b/a AU Health System, 1120 15th Street. FY139, Augusta, GA 30912
- Georgia Advanced Technology Ventures, Inc. and Subsidiaries, 221 Uncle Heinie Way, Lyman Hall Building, Suite 305, Atlanta, GA, 30332-0257 or found at [gatv.gatech.edu/financial-statements](http://gatv.gatech.edu/financial-statements)
- Georgia College & State University Foundation, Inc. and Subsidiaries, 231 W Hancock St., CBX 96, Milledgeville, GA, 30161
- Georgia Gwinnett College Foundation, Inc., 1000 University Center Lane, Lawrenceville, GA, 30043
- Georgia Health Sciences Foundation, Inc., 1120 15<sup>th</sup> Street, FI-1000, Augusta, GA 30912
- Georgia Southern University Housing Foundation, Inc. and Subsidiaries, P.O. Box 8020, Statesboro, GA 30460
- Georgia State University Athletic Association, Inc., 125 Decatur Street SE, Atlanta, Georgia, 30303
- Georgia State University Foundation, Inc., Attn: Dale Palmer, GSU Foundation, One Park Place South, Suite 533, Atlanta, GA 30303
- Georgia State University Research Foundation, Inc., 100 Auburn Avenue, Suite 315, Fulton, Atlanta, GA, 30303
- Georgia Tech Athletic Association, 150 Bobby Dodd Way, NW, Atlanta, GA 30332-0455 or found at [fin-services.gatech.edu/affiliated-organization-financial-statements](http://fin-services.gatech.edu/affiliated-organization-financial-statements)
- Georgia Tech Facilities, Inc., 221 Uncle Heinie Way, NW, Lyman Hall Building, Suite 325, Atlanta GA 30332-0257 or found at [gtfi.gatech.edu/financial-statements](http://gtfi.gatech.edu/financial-statements)
- Georgia Tech Foundation, Inc., 760 Spring Street, NW, Suite 400, Atlanta, GA 30308 or found at [gtf.gatech.edu/financial-statements](http://gtf.gatech.edu/financial-statements)
- Georgia Tech Research Corporation, 926 Dalney Street, NW, GA 30332-0415 or found at [gtrc.gatech.edu/gtrc/documents/financial-information](http://gtrc.gatech.edu/gtrc/documents/financial-information)
- Kennesaw State University Foundation, Inc., 3391 Town Point Drive, Suite 4530/Mail drop 9101, Kennesaw, GA 30144
- Medical College of Georgia Foundation, Inc., 720 St. Sebastian Way, Augusta, GA 30901
- Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries, 100 University Pkwy, Macon, GA 31206
- University of Georgia Athletic Association, Inc., 456 E. Broad Street, Room 225, Athens, GA 30602
- The University of Georgia Foundation, 394 S. Milledge Ave, Suite 100, Athens, GA 30602
- University of Georgia Research Foundation, Inc. and Subsidiaries, 456 E. Broad Street, Athens, GA 30602-1536
- University of North Georgia Real Estate Foundation, Inc. and Subsidiaries, 110 South Chestatee Street, Suite 320, Dahlonega, GA 30597
- University System of Georgia Foundation, Inc. and Affiliates, 270 Washington Street, SW Suite 7007, Atlanta, Ga 30334
- UWG Real Estate Foundation, Inc., 1601 Maple St, Carrollton, GA 30118
- VSU Auxiliary Services Real Estate Foundation, Inc., 1500 N. Patterson St, Valdosta, GA 31698

See Component Unit Note for additional information related to discretely presented component units.

## **Basis of Accounting and Financial Statement Presentation**

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the GASB and are presented as required by these standards to provide a comprehensive, entity-wide perspective of the USG's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position and cash flows.

The USG's business-type activities and fiduciary fund financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. All significant intra-fund transactions have been eliminated.

The USG reports the following fiduciary fund:

Pension and Other Post Employment Benefit Trust Funds - Accounts for the activities of the Early Retirement Plan, the Board of Regents Retiree Health Benefit Fund and the Deferred Compensation Fund.

## **New Accounting Pronouncements**

For fiscal year 2019, the USG adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The adoption of this Statement does not have a significant impact on the USG's financial statements.

For fiscal year 2019, the USG adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The adoption of this Statement does not have a significant impact on the USG's financial statements.

## **Cash and Cash Equivalents**

Cash and cash equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the State Investment Pool (Georgia Fund 1) and the Board of Regents Short-Term Investment Pool. Cash and Cash Equivalents that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Cash and Cash Equivalents restricted as to purpose or use by a third party are reported as externally restricted.

## **Short-Term Investments**

Short-Term Investments consist of investments of 90 days - 13 months. These include certificates of deposits or other time-restricted investments with original maturities of three months or more when purchased. Funds are not readily available and there is a penalty for early withdrawal. Short-term investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Short-term investments restricted as to purpose or use by a third party are reported as externally restricted.

## **Investments**

Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The USG accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Legal Fund, the Board of Regents Balanced Income Fund, the Board of Regents Total Return Fund, the Board of Regents Diversified Fund, and the Board of Regents Diversified Fund for Foundations are included as investments. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Investments restricted as to purpose or use by a third party are reported as externally restricted.

## **Accounts Receivable**

Accounts receivable consists of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff, the majority of whom reside in the State of Georgia. Accounts receivable also includes amounts due from federal, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the USG's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

**Inventories**

Consumable supplies are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis. Resale inventories are valued at cost using the average-cost basis.

**Prepaid Items**

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items.

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the USG's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and/or significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

To fully understand plant additions for the USG, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to the USG. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

For projects managed by GSFIC, GSFIC retains construction in progress in its accounting records throughout the construction period and transfers the entire project to the institutional unit of the USG when complete. For projects managed by institutions of the USG, the institutions retain construction in progress on their books and are reimbursed by GSFIC.

**Capital Liability Reserve Fund**

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term capital lease obligations. All USG institutions participating in the PPV program finance the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as USG institutions have rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each participating institution. See Note 10 for additional information.

**Deferred Outflows of Resources**

Deferred outflows of resources consist of the consumption of net position that is applicable to a future reporting period.

**Deposits**

Deposits represent good faith deposits from students to reserve housing assignments, meal plans or other auxiliary services.

**Advances**

Advances include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Advances also include amounts received from grant and contract sponsors that have not yet been earned.

**Deposits Held for Other Organizations**

Deposits held for other organizations result primarily from the USG acting as an agent or fiduciary for another entity. Deposits held for others include scholarships, fellowships, and other funds held for various governments, companies, clubs or individuals.

## **Claims and Judgments**

An estimated loss from claims and judgments is recognized when information available prior to issuance of the financial statements indicates it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

## **Pollution Remediation Obligations**

Pollution remediation obligations are recorded when the USG knows that a site is polluted and one or more obligating events have occurred. The amount recorded is an estimate of the current value of potential outlays for cleanup, calculated using the “expected cash flows” measurement technique.

## **Compensated Absences**

Employee vacation pay is accrued at the end of the fiscal year for financial statement purposes. The liability and expense incurred are recorded at the end of the fiscal year as compensated absences in the Statement of Net Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Position.

## **Non-current Liabilities**

Non-current liabilities include: (1) liabilities that will not be paid within the next fiscal year; (2) capital lease obligations with contractual maturities greater than one year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

## **Deferred Inflows of Resources**

Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period.

## **Other Post-Employment Benefit (OPEB)**

The net OPEB liability represents the USG's proportionate share of the difference between the total OPEB liability and the fiduciary net position or the fair value of the plan assets as of a given measurement date. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Board of Regents Retiree Health Benefit Plan and the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Pensions and Net Pension Liability**

The net pension liability represents the USG's proportionate share of the difference between the total pension liability as a result of the exchange for employee services for compensation and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position, additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by Teachers Retirement System of Georgia, Employees' Retirement System of Georgia, and Augusta University Early Retirement Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Service Concession Arrangements**

Service concession agreements are arrangements between a government (transferor, one of our institutions) and a third party (operator) in which all of the following criteria are met:

- a) The institution conveys to the operator the right and obligation to provide public services through the use and operation of a capital asset in exchange for significant consideration. Significant consideration could be in the form of up-front payments, installment payments, a new facility or improvements to existing facility.
- b) The operator collects and is compensated by fees from third parties.
- c) The institution has the ability to modify or approve what services the operator is required to provide, to whom services are provided, and prices or rates that can be charged for those services.
- d) The institution is entitled to significant residual interest in the service utility of the asset at the end of the arrangement.

## Net Position

The USG's net position is classified as follows:

Net investment in capital assets represents the USG's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. The term "debt obligations" as used in this definition does not include debt of the GSFIC as discussed previously in Note 1 - Capital Assets section.

Restricted - nonexpendable net position includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation. Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. Each institution maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

Restricted - expendable net position includes resources in which the USG is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the USG, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unobligated state appropriations (surplus). Unobligated state appropriations must be refunded to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the USG's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

## Income Taxes

As a political subdivision of the State of Georgia which has been delegated the right to exercise part of the sovereign power of the State, the USG is not subject to federal income tax.

## Classification of Revenues and Expenses

The Statement of Revenues, Expenses and Changes in Net Position classifies fiscal year activity as operating and nonoperating according to the following criteria:

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.
- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations and investment income.
- Operating expense includes activities that have the characteristics of exchange transactions.
- Nonoperating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

### Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the USG, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the USG's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the USG has recorded contra revenue for scholarship allowances.

### Restatement of Prior Year Net Position

The USG made the following restatements:

	Business-type Activities	Discretely Presented Component Units
Net position, beginning of year, as originally reported	\$ 1,606,513,459	\$ 4,637,744,258
Changes in accounting policies and principles		
Revenue recognition under ASU 2014-09	—	(3,235,992)
Bond issuance cost accounting policy	—	(2,105,269)
Investment in sales-type lease policy	—	(519,768)
Correction of prior year errors		
Capital assets	2,718,945	—
Accounts receivable	299,164	2,053,890
Lease purchase obligations	(1,157,922)	—
Deferred outflows of resources	(821,493)	—
Net position, beginning of year, restated	<u>\$ 1,607,552,153</u>	<u>\$ 4,633,937,119</u>

### Special Items

Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are considered special items. Special Items for the year ended June 30, 2019 were as follows:

	Capital Asset Transfers	Gain/(Loss) on Early Extinguishment of Debt	Total
Abraham Baldwin Agricultural College	\$ (44,966,516)	\$ (942,687)	\$ (45,909,203)
Augusta University	97,644,818	—	97,644,818
Kennesaw State University	—	1,034,390	1,034,390
University of North Georgia	—	—	—
Totals	<u>\$ 52,678,302</u>	<u>\$ 91,703</u>	<u>\$ 52,770,005</u>

#### Abraham Baldwin Agricultural College (ABAC)

In July 2018, GSFIC funded \$18,730,728 to ABAC to be use to pay-off the remaining lease purchase obligation principle due for the Bainbridge Student Wellness Center. These GSFIC funds along with additional institutional funds of \$942,687 were sent to the University System of Georgia Foundation, Inc. relieving ABAC of any future obligations related to this debt. The \$942,687 loss on early extinguishment of debt is reported as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.

In August 2018, ABAC transferred land, building, improvements, and equipment located at 2500 East Shotwell Street, Bainbridge, Georgia with a gross book value of \$63,017,803 and accumulated depreciation of \$18,051,287 for a net book value of \$44,966,516 to Southern Regional Technical College, an organizational unit of the Technical College System of Georgia. This transfer is reported as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.



### Augusta University

In March 2019, Georgia Technology Authority transferred property of approximately 16.47 acres of land located at 1 Eleventh Street, Augusta, Richmond County, Georgia and the two buildings known as the Georgia Cyber Center (Hull McKnight Building and Schaffer MacCartney Building) which were erected on the site as well as equipment in those buildings to Augusta University. The land, buildings, and equipment had a reported gross book value of \$98,428,910 and accumulated depreciation of \$784,092 for a net book value of \$97,644,818. The net effect of the transfer of assets of \$97,644,817 is reported as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.

### Kennesaw State University

During fiscal year 2019, a capital lease agreement for a multi-purpose building between Kennesaw State University and Kennesaw State University Foundation, Inc. was amended resulting in the extinguishment of \$1,034,390 of lease purchase obligation debt. This gain on early extinguishment of debt is reported as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.

### University of North Georgia

During fiscal year 2019, the University of North Georgia received equipment with gross book value of \$175,800 and accumulated depreciation of \$175,800 for a net book value of \$0 from affiliate organizations outside the reporting entity.

## **Note 2 Deposits and Investments**

Cash and cash equivalents and investments as of June 30, 2019 are classified in the accompanying Statement of Net Position and Statement of Fiduciary Net Position as follows:

### Statement of Net Position

Current		
Cash and Cash Equivalents	\$	1,385,282,311
Cash and Cash Equivalents (Externally Restricted)		262,314,825
Short-term Investments		72,567,261
Short-term Investments (Externally Restricted)		519,191
Noncurrent		
Investments		197,694,631
Non-current Cash (Externally Restricted)		3,335,727
Short-term Investments (Externally Restricted)		34,175
Investments (Externally Restricted)		249,941,368
Statement of Fiduciary Net Position		
Cash and Cash Equivalents		25,243,234
Investments		235,445,864
	\$	<u>2,432,378,587</u>

Cash on hand, deposits and investments as of June 30, 2019 consist of the following:

Cash on Hand	\$	1,117,622
Deposits with Financial Institutions		717,920,381
Investments		1,842,229,668
Pooled Assets Held on Behalf of Component Units		(128,889,084)
	\$	<u>2,432,378,587</u>

### A. Deposits with Financial Institutions

Deposits include certificates of deposits and demand deposit accounts, including certain interest bearing demand deposit accounts. The custodial credit risk for deposits is the risk that in the event of a bank failure, the USG's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the USG) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated (O.C.G.A.) § 50-17-59:

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.
6. Letters of credit issued by a Federal Home Loan Bank.
7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

The USG participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased to amount of up to 125% if economic or financial conditions warrants. The program lists the type of eligible collateral. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository's collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

At June 30, 2019, the bank balances of the USG's deposits totaled \$749,159,268. This balance includes deposits in fiduciary funds as these balances are not separable from the holdings of the USG. Of these deposits, \$10,894,016 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	230,483
Uninsured and collateralized with securities held by the pledging financial institution		—
Uninsured and collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the Institution's name		10,663,533
		<hr/>
Total deposits exposed to custodial credit risk	\$	<u>10,894,016</u>

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The USG has a formal policy for managing exposure to foreign currency credit risk by requiring a maximum balance in a single foreign account of \$100,000 U.S. currency. The USG's exposure to foreign currency risk derives from deposits in foreign banks for operations of studies abroad programs. The deposits are uninsured and uncollateralized in the amount of \$119,087 as follows:

<u>Program</u>	<u>Institution</u>	<u>Currency</u>	<u>U.S. Value</u>
UGA - Oxford Program	Barclay's	British Pound	\$ 51,972
UGA Cortona Art Program	Banca CR Firenze	European Euro	67,115
			<u>\$ 119,087</u>

### **B. Investments**

The USG maintains an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility it has to the citizens of Georgia and which conforms to Board of Regents investment policy. All investments are consistent with donor intent, Board of Regents policy and applicable Federal and State laws.

GASB Statement No. 72, *Fair Value Measurements and Application*, which requires fair value measurement be classified and disclosed in one of the following three categories ("Fair Value Hierarchy"):

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investments.

The following table summarizes the valuation of the USG's investments measured at fair value on a recurring basis as of June 30, 2019.

	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investment type:				
Debt Securities				
U.S. Treasuries	\$ 30,453,783	\$ 30,453,783	\$ —	\$ —
U.S. Agencies				
Explicitly Guaranteed	218,512,918	—	218,512,918	—
Implicitly Guaranteed	384,767,691	95,634,421	289,133,270	—
Corporate Debt	200,133,960	11,384	200,122,576	—
Guaranteed Investment Contracts	1,384,386	—	—	1,384,386
Money Market Mutual Funds	8,248,497	8,248,497	—	—
Municipal Obligations	986,599	986,599	—	—
Mutual Bond Funds	201,342,136	201,342,136	—	—
Other Investments				
Equity Mutual Funds - Domestic	197,393,925	197,393,925	—	—
Equity Mutual Funds - International	2,671,451	2,671,451	—	—
Equity Securities - Domestic	156,556,930	156,556,924	—	6
Equity Securities - International	357,260	119,086	238,174	—
Real Estate Held for Investment Purposes	6,345,412	—	—	6,345,412
Real Estate Investment Trusts	1,006,318	1,006,318	—	—
Other	1,011,769	1,011,769	—	—
	1,411,173,035	\$ 695,436,293	\$ 708,006,938	\$ 7,729,804
Investment Pools				
Office of the State Treasurer				
Georgia Fund 1	431,056,633			
Total Investments	\$ 1,842,229,668			

Investments classified in Level 1 are valued using prices quoted in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified in Level 3 includes real estate funds that invest primarily in U.S. commercial real estate and guaranteed investment contracts. The fair values of real estate investments in this category have been estimated using the net asset value of the USG's ownership interest in partners' capital. Real estate investments are less liquid and, generally, cannot be redeemed with the funds through normal redemption procedures. Distributions from real estate investment funds will be received as the underlying investments of a fund are liquidated. Guaranteed investment contracts are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

The USG holds positions in the Georgia Fund 1 investment pool managed by the Georgia Office of the State Treasurer. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The USG does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

### Board of Regents Pooled Investment Program

The USG serves as fiscal agent for various units of the University System of Georgia and affiliated organizations. The USG pools the monies of these organizations with the USG's monies for investment purposes. The investment pool is not registered with the SEC as an investment company. The fair value of the investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each pooled investment fund balance at fair value along with a pro rata share of the pooled fund's investment returns.

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified participants. These policies are intended to foster the sound and prudent responsibility each institution has to the citizens of Georgia and which conforms to the Board of Regents investment policy. All investments must be consistent with donor intent, Board of Regents policy, and applicable Federal and State laws. Units of the University System of Georgia and their affiliated organizations may participate in the pooled investment fund program. The overall character of the pooled fund portfolio should be one of above average quality, possessing at most an average degree of investment risk.

The Board of Regents' pooled investment fund options are described below.

#### 1. Short-Term Fund

The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between daily and three years, and the fund will typically have an overall average duration of  $\frac{3}{4}$  - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Short-Term Fund at June 30, 2019 was \$608,840,985.

#### 2. Legal Fund

The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The fund provides an opportunity for greater return and modest principal growth to the extent possible with the securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between three and five years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the Legal Fund at June 30, 2019 was \$11,770,102.

#### 3. Balanced Income Fund

The Balanced Income Fund is available to both University System of Georgia institutions and their affiliated organizations. The fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents.

The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Balanced Income Fund at June 30, 2019 was \$152,273,561.

#### 4. Total Return Fund

The Total Return Fund is available to both University System of Georgia institutions and their affiliated organizations. The fund is another pool designed to be a vehicle to invest funds that are not subject to state regulations concerning investing in equities. This pool offers greater overall equity exposure and is appropriate for investing longer term funds such as endowments. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents.

The equity allocation shall range between 60% and 80%, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Total Return Fund at June 30, 2019 was \$14,659,511.

5. Diversified Fund

The Diversified Fund is available to both University System of Georgia institutions and their affiliated organizations. The fund is designed to provide improved return characteristics with reduced volatility through greater diversification. This pool is appropriate for investing longer term funds such as endowments. Permitted investments in the fund may include domestic, international and emerging market equities, domestic fixed income and global fixed income.

The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Diversified Fund at June 30, 2019 was \$208,669,549.

6. Diversified Fund for Foundations

The Diversified Fund for Foundations is available only to University System of Georgia affiliated organizations. Like the Diversified Fund, the fund is designed to provide improved return characteristics with reduced volatility through greater diversification and is appropriate for investing longer term funds such as endowments. Investments in the fund may include domestic, international and emerging market equities, domestic and global investment grade and non-investment grade fixed income and liquid alternative investments.

The equity allocation shall range between 40% and 75% of the portfolio, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 10% and 40% of the portfolio, with a target of 20% of the total portfolio. The alternatives portion of the portfolio shall range between 0% and 30% of the portfolio, with a target of 15% of the total portfolio. Cash reserves and invested income are invested at all times in the highest quality par stable (A1, P1) institutional money market funds, or other high quality short term instruments. The market value of the Diversified Fund for Foundations at June 30, 2019 was \$68,018,464.

Condensed financial information for the Board of Regents Pooled Investment Program is as follows:

Statement of Net Position - June 30, 2019

<u>Assets</u>	
Pooled Investments*	\$ 1,062,363,703
Receivables	1,868,469
	<u>\$ 1,064,232,172</u>
<u>Distribution of Net Position</u>	
USG Account Balance	\$ 873,929,313
Component Units and Affiliated Organizations	190,302,859
	<u>\$ 1,064,232,172</u>

\* Pooled investments in the short-term fund are reported as cash and cash equivalents on the Statements of Net Position and Statement of Fiduciary Net Position, except for \$13,971,913 and \$3,219,951 for discretely presented component units reported as short-term investments and investments, respectively.

Statement of Changes in Net Position - June 30, 2019

Market Value Plus Accrued Income on July 1, 2018	\$ 926,779,905
Receipts	205,419,558
Disbursements	
Administrative Expenses	(979,009)
Distributions	(106,798,457)
Investment Results	
Income Collected and Accrued	24,485,699
Realized Gain/Loss on Assets Sold	31,740,872
Change in Unrealized Gain/Loss	(15,914,400)
Amortization (Short-Term Fund)	(501,996)
Market Value Plus Accrued Income on June 30, 2019	<u>\$ 1,064,232,172</u>



### Office of the State Treasurer Investment Pool

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company, and the State does not consider Georgia Fund 1 to be a 2a7-like pool. This investment is valued at the pool's share price, \$1 per share. The Georgia Fund 1 Investment Pool is an AAAf rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 39 days.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The USG's policy for managing interest rate risk attempts to match investments with expected cash requirements. The following table presents the interest rate risk for the USG's debt investment at June 30, 2019, utilizing effective duration distribution methods:

	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
U.S. Treasuries	\$ 30,453,783	\$ 15,133,575	\$ 7,579,167	\$ 4,832,897	\$ 2,908,144	\$ —
U.S. Agencies						
Explicitly Guaranteed	218,512,918	173,900,052	7,623,855	6,144,644	—	30,844,367
Implicitly Guaranteed	384,767,691	209,549,433	26,208,975	102,341,572	16,533,261	30,134,450
Corporate Debt	200,133,960	9,282,920	59,500,002	131,180,524	170,514	—
Guaranteed Investment Contracts	1,384,386	—	—	—	—	1,384,386
Money Market Mutual Funds	8,248,497	8,248,497	—	—	—	—
Municipal Obligations	986,599	5,000	101,440	332,407	337,908	209,844
Mutual Bond Funds	201,342,136	128,604	—	35,314,316	66,387,383	99,511,833
	1,045,829,970	<u>\$ 416,248,081</u>	<u>\$ 101,013,439</u>	<u>\$ 280,146,360</u>	<u>\$ 86,337,210</u>	<u>\$ 162,084,880</u>
Other Investments						
Equity Mutual Funds - Domestic	197,393,925					
Equity Mutual Funds - International	2,671,451					
Equity Securities - Domestic	156,556,930					
Equity Securities - International	357,260					
Real Estate Held for Investment Purposes	6,345,412					
Real Estate Investment Trusts	1,006,318					
Other	1,011,769					
Investment Pools						
Office of the State Treasurer						
Georgia Fund 1	431,056,633					
Total Investments	<u>\$ 1,842,229,668</u>					

### Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the USG will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The USG's policy for managing custodial credit risk is:

1. The USG has appointed a federally regulated banking institution as custodian. The custodian performs its duties to the standards of professional custodian and is liable to the USG for claims, losses, liabilities and expenses arising from its failure to exercise ordinary care, its willful misconduct, or its failure to otherwise act in accordance with the contract.
2. All securities transactions are to be settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.

3. Repurchase agreements are to be collateralized by United States Treasury securities at 102% of the market value of the investment at all times.

At June 30, 2019, \$13,936,952 was uninsured and held by the investment's counterparty's trust department or agent, but not in the USG's name. Of this balance, \$1,401,548 is related to the Deferred Compensation Fiduciary Fund.

**Credit Quality Risk**

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The USG's policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds, colleges, universities, and foundations:

1. In the Short-Term Fund and Legal Fund, all debt issues must be eligible investments under O.C.G.A § 50-17-59 and 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.
2. In the Balanced Income Fund, Total Return Fund, and Diversified Fund, total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.
3. In the Diversified Fund for Foundations, fixed income investments include investment grade and high yield domestic bonds, dollar-and non-dollar denominated global bonds, and emerging market bonds. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.

The investments subject to credit quality risk are reflected below:

	Fair Value	AAA	AA	A	BBB	BB	Unrated
Related Debt Investments							
U. S. Agency Securities	\$ 384,767,691	\$ 383,656,051	\$ 1,111,640	\$ —	\$ —	\$ —	\$ —
Corporate Debt	200,133,960	1,250,090	1,919,269	196,710,574	242,644	—	11,383
Guaranteed Investment Contracts	1,384,386	—	—	—	—	—	1,384,386
Money Market Mutual Fund	8,248,497	6,505,573	—	—	—	—	1,742,924
Municipal Obligation	986,599	321,562	389,026	276,011	—	—	—
Mutual Bond Fund	201,342,136	380,941	46,642	46,237	—	25,230	200,843,086
	<u>\$ 796,863,269</u>	<u>\$ 392,114,217</u>	<u>\$ 3,466,577</u>	<u>\$ 197,032,822</u>	<u>\$ 242,644</u>	<u>\$ 25,230</u>	<u>\$ 203,981,779</u>

The Early Retirement Plan Fiduciary Fund has \$19,801,055 in mutual bond funds and \$2,667,860 in money market mutual funds (cash and cash equivalents on the statement of fiduciary net position). Mutual bond fund investments are not rated. For money market mutual fund investments, \$987,788 are rated AAA and \$1,680,072 are not rated.

The Deferred Compensation Fiduciary Fund has \$716,599 in mutual bond funds, \$1,384,386 in guaranteed investment contracts, and \$229,739 in money market mutual funds (cash and cash equivalents on the statement of fiduciary net position). Mutual bond fund investments and guaranteed investment contracts are not rated. Money market mutual fund investments are rated AAA.

The Retiree Health Benefit Fiduciary Fund has \$87,046,515 in mutual bond funds and \$1,565,815 in money market mutual funds. These investments are reported as pooled investments on the statement of fiduciary net position. Mutual bond fund investments are not rated. Money market mutual fund investments are rated AAA.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The USG's policy requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return.

At June 30, 2019, approximately 11.77%, 10.89%, 5.33%, 5.20% and 5.18% of business-type activity and fiduciary fund investments were investments in Federal National Mortgage Assoc. notes and pools, Government National Mortgage Assn. notes and pools, Vanguard Institutional Index Fund, Federal Home Loan Bank notes and pools, and Western Asset Core Bond Portfolio, respectively.

Specifically for the Deferred Compensation Fiduciary Fund, approximately 31.98%, 20.37%, 16.54%, 8.26%, 7.90%, 5.49% and 5.31% of investments were invested in TIAA traditional annuity, TIAA Real Estate Fund, Fidelity Contrafund Fund, Fidelity Strategic Income Fund, Fidelity U.S. Bond Index Fund, Fidelity Low Priced Stock Fund, and Fidelity Investments Money Market Government Portfolio, respectively.

See Note 14 - Retirement Plans for concentration of credit risk for the Early Retirement Plan. See Note 17 - Post-Employment Benefits Other Than Pension Benefits for concentration of credit risk for the Retiree Health Benefit Fund.

### Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2019:

	Business Type Activities
Student Tuition and Fees	\$ 71,922,196
Auxiliary Enterprises and Other Operating Activities	77,874,998
Federal Financial Assistance	83,229,010
Georgia Student Finance Commission	25,716,389
Georgia State Financing and Investment Commission	16,236,837
Due from Affiliated Organizations	15,045,254
Due from Component Units	275,492,678
Other	147,469,212
	<u>712,986,574</u>
Less: Allowance for Doubtful Accounts	<u>49,340,237</u>
Net Accounts Receivable	<u><u>\$ 663,646,337</u></u>

### Note 4 Inventories

Inventories consisted of the following at June 30, 2019:

Consumable Supplies	\$ 6,715,802
Merchandise for Resale	<u>15,424,607</u>
Total	<u><u>\$ 22,140,409</u></u>

### Note 5 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2019. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the USG for amounts canceled under these provisions. As the USG determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The USG has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2019, the allowance for uncollectible loans was \$2,246,352.

## Note 6 Capital Assets

Changes in capital assets for the year ended June 30, 2019 are shown below:

	(Restated) Balance July 1, 2018	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2019
<b>Capital Assets, Not Being Depreciated:</b>					
Land	\$ 417,767,495	\$ 5,080,923	\$ 5,846,419	\$ 1,219	\$ 428,693,618
Capitalized Collections	52,015,213	(71,900)	4,915,641	1,670,000	55,188,954
Construction Work-in-Progress	231,606,547	—	173,365,612	207,698,454	197,273,705
Software Development-in-Progress	12,266,427	—	5,505,086	12,266,425	5,505,088
<b>Total Capital Assets Not Being Depreciated</b>	<b>713,655,682</b>	<b>5,009,023</b>	<b>189,632,758</b>	<b>221,636,098</b>	<b>686,661,365</b>
<b>Capital Assets, Being Depreciated/Amortized:</b>					
Infrastructure	356,120,581	—	33,384,330	1,104,369	388,400,542
Building and Building Improvements	12,196,444,943	33,372,553	561,898,123	35,370,084	12,756,345,535
Facilities and Other Improvements	289,643,476	(829,499)	10,101,929	603,413	298,312,493
Equipment	1,722,937,018	(1,849,170)	147,504,880	70,893,587	1,797,699,141
Library Collections	935,486,771	—	32,461,860	7,998,383	959,950,248
Capitalized Collections	6,690,731	(116,000)	10,634	—	6,585,365
Software	92,778,419	—	35,768,352	—	128,546,771
<b>Total Capital Assets Being Depreciated/Amortized</b>	<b>15,600,101,939</b>	<b>30,577,884</b>	<b>821,130,108</b>	<b>115,969,836</b>	<b>16,335,840,095</b>
<b>Less: Accumulated Depreciation/Amortization</b>					
Infrastructure	139,507,861	—	14,372,051	614,753	153,265,159
Building and Building Improvements	4,105,886,218	(14,276,310)	320,556,617	24,896,245	4,387,270,280
Facilities and Other Improvements	129,331,479	(620,950)	12,247,511	580,190	140,377,850
Equipment	1,264,649,484	(2,194,135)	121,944,796	59,004,646	1,325,395,499
Library Collections	761,107,952	—	40,344,684	7,998,388	793,454,248
Capitalized Collections	1,670,246	—	158,030	—	1,828,276
Software	30,481,530	—	9,542,581	—	40,024,111
<b>Total Accumulated Depreciation/Amortization</b>	<b>6,432,634,770</b>	<b>(17,091,395)</b>	<b>519,166,270</b>	<b>93,094,222</b>	<b>6,841,615,423</b>
<b>Total Capital Assets, Being Depreciated/Amortized, Net</b>	<b>9,167,467,169</b>	<b>47,669,279</b>	<b>301,963,838</b>	<b>22,875,614</b>	<b>9,494,224,672</b>
<b>Capital Assets, net</b>	<b>\$ 9,881,122,851</b>	<b>\$ 52,678,302</b>	<b>\$ 491,596,596</b>	<b>\$ 244,511,712</b>	<b>\$ 10,180,886,037</b>

The USG has received and transferred capital assets to various other entities within the State's reporting entity. The USG has reported these transactions as special items on the Statement of Revenues, Expenses and Changes in Net Position. See Note 1 - Special Items for additional information related to these transactions.

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the USG when complete. For projects managed by the USG, the USG retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2019, GSFIC transferred completed GSFIC managed capital projects valued at \$291,147,767 to the USG. In addition, at June 30, 2019, GSFIC had construction in progress of approximately \$41,105,648 for incomplete GSFIC managed projects for the USG.

## Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2019:

	Current Liabilities	Non-Current Liabilities
Prepaid Tuition and Fees	\$ 130,279,000	\$ —
Research	43,724,340	8,171,409
Other - Advances	45,524,977	3,293,750
Totals	<u>\$ 219,528,317</u>	<u>\$ 11,465,159</u>

## Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2019 was as follows:

	(Restated)				
	Balance			Balance	Current
	July 1, 2018	Additions	Reductions	June 30, 2019	Portion
Lease Purchase Obligations	\$ 2,914,788,616	\$ 165,411,344	\$ 224,828,602	\$ 2,855,371,358	\$ 112,368,955
Other Liabilities					
Compensated Absences	229,020,469	174,705,110	172,322,080	231,403,499	156,613,255
Notes and Loans Payable	8,095,268	6,448,462	1,782,793	12,760,937	1,141,335
Claims and Judgments	1,805,912	5,270,030	1,212,246	5,863,696	2,378,631
Pollution Remediation	1,085,840	1,146,441	1,085,840	1,146,441	1,146,441
Total	<u>240,007,489</u>	<u>187,570,043</u>	<u>176,402,959</u>	<u>251,174,573</u>	<u>161,279,662</u>
Total Long-Term Liabilities	<u>\$ 3,154,796,105</u>	<u>\$ 352,981,387</u>	<u>\$ 401,231,561</u>	<u>\$ 3,106,545,931</u>	<u>\$ 273,648,617</u>

### Notes and Loans Payable

The USG entered into a notes payable to secure Energy Performance Contracts. The interest rate for these notes vary between 2.00% to 2.64% and matures during fiscal year 2031. Notes and loan principal and interest payments related to capital financing activities for fiscal year 2019 were \$1,099,762 and \$116,237, respectively. Notes and loan principal and interest payments related to non-capital financing activities for fiscal year 2019 were \$683,031 and \$64,332, respectively. Below is the annual debt service related to the outstanding notes payable at June 30, 2019.

Year Ending June 30:	Principal	Interest
2020	\$ 1,141,335	\$ 258,653
2021	2,051,173	260,871
2022	2,096,554	215,490
2023	2,142,954	169,090
2024	1,204,896	123,203
2025 through 2029	3,244,194	344,979
2030 through 2034	879,831	17,464
	<u>\$ 12,760,937</u>	<u>\$ 1,389,750</u>

### Pollution Remediation

Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations.

Savannah State University is responsible for pollution remediation at all institutional sites including, but not limited to ground contamination, storage/treatment/disposal of hazardous materials, and asbestos abatement. USG has recorded a liability related to this pollution remediation in the amount of \$174,500. Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations. There are no expected recoveries that have reduced this liability.

The University of Georgia is responsible for pollution remediation at the Milledge Avenue landfill site. USG has recorded a liability related to this pollution remediation in the amount of \$438,000. The liability was determined using a five-year budget estimated provided by Brown and Caldwell. The University of Georgia does not anticipate any changes to the expected remediation outlay. There are no expected recoveries that have reduced this liability.

Georgia Institute of Technology is responsible for pollution remediation at all Institute sites including, but not limited to ground contamination, storage/treatment/disposal of hazardous materials, and asbestos abatement. Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations. USG has recorded a liability related to this pollution remediation in the amount of \$533,941. There are no expected recoveries that have reduced this liability.

## Note 9 Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2019, consisted of the following:

### Deferred Outflows of Resources

Deferred Loss on Debt Refunding	\$ 37,978,129
Deferred Loss on Defined Benefit Pension Plans (See Note 14)	735,559,108
Deferred Loss on OPEB Plan (See Note 17)	469,109,816
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,242,647,053</b>

### Deferred Inflows of Resources

Deferred Gain on Debt Refunding	\$ 67,213,749
Unavailable Revenues	29,118,255
Deferred Service Concession Arrangements	555,391,063
Deferred Gain on Defined Benefit Pension Plans (See Note 14)	129,540,276
Deferred Gain on OPEB Plan (See Note 17)	495,880,937
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,277,144,280</b>

### Deferred Loss/Gain on Debt Refunding

The unamortized deferred gain or loss on debt refunding related to changes in the provisions of various leases that resulted from a refunding by the lessor of tax-exempt debt in which the a portion of the perceived economic advantages of the refunding were passed through to various units of the USG.

### Unavailable Revenues

Resources from certain non-exchange transactions received before time requirements are met, but after all other eligibility requirements have been met, are reported as a deferred inflow of resources.

## **Service Concessions Arrangements**

### Kennesaw State University (KSU)

At June 30, 2018, Kennesaw State University (KSU) was a participant in four Service Concession Arrangements.

In August 2001, KSU entered into an agreement with KSUF whereby Kennesaw State University Foundation, Inc. (KSUF) will operate and collect revenues for housing operations from students. KSUF is required to operate the residence hall ("University Place") in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the Institution received no funds upfront from KSUF, but will take full ownership of the residence hall at the end of the operating agreement in June, 2031.

In August 2003, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Village") in accordance with a contractual agreement between the parties. Under the terms of the agreement, the Institution received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in June 2034.

In August 2007, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Suites") in accordance with a contractual agreement between the parties. Under the terms of the agreement, the Institution received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in June 2037.

In July 2017, KSU entered in to a lease agreement with a food service provider whereby the vendor will operate a restaurant in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the Institution received no funds upfront, but will take full ownership of the equipment and lease improvements at the end of the operating agreement in June, 2027.

At June 30, 2019, the University reports the three housing residences and one retail space as capital assets with a net carrying value of \$56,970,318. For fiscal year 2019, the University reported a remaining deferred inflows of resources of \$56,970,318 and amortized revenue of \$3,641,327.

### Georgia Gwinnett College (GGC)

On May 13, 2014, GGC entered into an agreement with Aramark Education Services, LLC (Aramark), whereby Aramark will operate food services operations from service participants. The agreement is renewable for each year for ten years.

Aramark is required to operate the food service facilities in accordance with the contractual agreement. The contract includes a period fixed fee ("Annual Fixed Fee") payable to Aramark in the amount of \$5.3 million per operating year. In the event that the amount paid to or retained by Aramark is less than the Annual Fixed Fee of \$5.3 million, then GGC shall remit the amount equivalent to the difference of the Annual Fixed Fee minus Actual Operating Retainage. In the event that the actual operation year retainage is greater than 199.9% (upper threshold amount) of the Annual Fixed Fee, then Aramark shall remit the difference of the Annual Fixed Fee minus the upper threshold amount to GGC. If the actual operation year retainage is more than the Annual Fixed Fee but less than the 199.9% of the Annual Fixed Fee, then neither party shall owe anything to the other. GGC and Aramark will review the annual Fixed Fee prior to the commencement of each Operating Year and a revised Annual Fixed Fee shall be set forth in a written supplemental contract.

Under the terms of the contract Aramark committed a lump sum upfront payment of \$360,000. The amortized revenue recorded related to the lump sum payment in fiscal year 2019 was \$36,000 and the remaining deferred inflow was \$180,000.

Under terms of the original agreement Aramark also committed \$5,250,000 in dining facility renovations. In fiscal year 2017, the contract amendment called for a return of outstanding unamortized amounts of \$1,615,483 and for a reduction of \$704,805 to deferred inflows for uncollected funds. The amortized revenue recorded in fiscal year 2019 for the remaining construction commitment was \$326,438 leaving deferred inflow balance of \$1,632,191.

For Fiscal Year 2019, GGC reported a total remaining Deferred Inflow of Resources of \$1,812,191 related to the service concession arrangement.



### University System Office (USO)

During fiscal year ended June 30, 2015, the Board of Regents of the University System of Georgia (BOR) entered into a Service Concession Arrangement (SCA) with Corvias Campus Living-USG,LLC, whereby Corvias Campus Living-USG,LLC, manages, maintains and operates certain existing student housing resources on the campuses of nine institutions: Abraham Baldwin Agricultural College; Georgia Southern University (formerly Armstrong State University); Augusta University; College of Coastal Georgia; Columbus State University; Dalton State College; East Georgia State College; Georgia State University; and the University of North Georgia.

Pursuant to the contractual stipulations of this SCA, whereby the BOR and Corvias Campus Living- USG, LLC, are the "parties" participating in this agreement, as of May 14, 2015, the institutions noted above transferred the housing resources covered by this SCA, along with associated capital lease obligations to the University System Office in fiscal year 2015 through Special Item Transfer. In accordance with the SCA, in May 2015, Corvias Campus Living-USG, LLC, provided \$311,561,781 which the BOR used to retire the capital lease obligations transferred to the University System Office.

On February 23, 2018, the SCA contractual agreement with Corvias Campus Living-USG, LLC, was amended. While performance measures and the operating agreement remain intact, the term of the agreement has changed. The SCA, which was originally for 65 years (780 months) to end in June 2080, will now end on June 30, 2055. This contract modification accelerates the amortization of the Deferred Inflows.

For the \$311,561,781 that was originally received from Corvias Campus Living-USG, LLC, in fiscal year 2015, \$7,992,330 was amortized at June 30, 2019, leaving a remaining Deferred Inflow of Resources balance of \$287,723,881 at year end.

In addition to the existing student housing arrangement, Corvias Campus Living-USG, LLC designs and constructs authorized new housing projects that, once constructed, are similarly managed, maintained and operated on seven of the nine campuses with existing student housing resources. Two of these projects were completed in fiscal year 2016 and their fair market values were capitalized increasing Capital Assets by \$23,110,655. In fiscal year 2017, five additional housing projects were completed and their fair market values were capitalized increasing Capital Assets by \$154,415,645. A Deferred Inflow of Resources was recorded as the offset to the Capital Asset additions. The Deferred Inflows associated with these projects are being amortized over the remaining life of the SCA in accordance with the term revision noted above. At June 30, 2019, the University System Office amortized \$4,636,064 of Deferred Inflows related to these seven projects, leaving a remaining Deferred Inflow of Resources balance of \$166,898,312 at year end.

Also, as part of this SCA, and beginning in fiscal year 2016, the University System Office receives \$8,000,000 in Ground Rent and \$500,000 in Supplemental Capital Repair and Replacement funds each year for the next ten years, with each amount escalating by 3% annually. The University System Office recorded Accounts Receivable and Deferred Inflow of Resources in the amount of \$73,232,489 representing the present value of this revenue stream based on the agreement terms and will amortize the Deferred Inflows over a ten-year period. For the year ended June 30, 2019, the University System Office amortized \$7,554,699 and recognized \$1,733,482 in associated interest income, leaving a Deferred Inflow balance of \$41,986,361 as of June 30, 2019.

The University System Office also receives retained services funds each year as a percentage of gross revenues for that year.

The University System Office has no reportable future obligation for these services.

## Note 10 Net Position

The breakdown of business type activity net position for the USG fund at June 30, 2019 is as follows:

### NET POSITION

Net Investment in Capital Assets	\$ 7,029,370,125
Restricted for	
Nonexpendable	
Permanent Endowment	181,015,931
Expendable	
Sponsored and Other Organized Activities	134,273,850
Federal Loans	35,317,695
Institutional Loans	28,379,194
Quasi-Endowments	54,923,458
Capital Projects	13,076,407
Sub-Total	265,970,604
Unrestricted	
Auxiliary Enterprises	197,843,532
Reserve for Encumbrances	485,585,164
Reserve for Inventory	4,197,294
Capital Liability Reserve Fund	19,547,420
Health Insurance Reserve	113,348,915
Other Unrestricted	(6,262,939,583)
Sub-Total	(5,442,417,258)
Total Net Position	\$ 2,033,939,402

Other unrestricted net position is reduced by \$4,437,522,220 related to the recording of net OPEB liability, deferred gain on OPEB plan, and deferred loss on OPEB plan. Other unrestricted net position is also reduced by \$2,283,116,151 related to the recording of net pension liability, deferred gain on defined benefit pension plans, and deferred loss on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation and student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the USG is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

## Note 11 Endowments

### Donor Restricted Endowments

Investments of the USG's endowment funds are pooled, unless required to be separately invested by the donor. For USG controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation on endowment investments available for authorization for expenditure was \$9,594,788 and is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the USG's endowment funds is predicated on the total return concept. Annual payouts from the USG's endowment funds are based on a spending policy which limits spending between 3.0% and 6.0% of endowment principal market value. To the extent

that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the USG uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

For endowment funds where the donor has not provided specific instructions and the USG member institution has determined not to utilize the total return concept, investment return of the USG's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure.

For the current year, the USG did not incur investment losses that exceeded the related endowment's available accumulated income and net appreciation.

## Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2019. In addition to these encumbrances, the USG had other significant unearned outstanding construction or renovation contracts in the amount of \$29,368,387 executed as of June 30, 2019. This amount is not reflected in the accompanying basic financial statements.

## Note 13 Leases

### Lease Obligations

The USG is obligated under various capital and operating lease agreements for the acquisition or use of real property and equipment.

#### Capital Leases

The USG acquires certain real property and equipment through multi-year capital leases with varying terms and options. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the USG. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The USG's principal and interest payments related to capital leases for fiscal year 2019 were \$131,637,297 and \$140,651,952, respectively. Interest rates range from 0.61% - 23.56%.

The USG has \$2,365,128,390 in outstanding lease obligations due to component units. The USG has \$340,268,148 in outstanding lease obligations due to affiliated organizations and other related party organizations.

The following is a summary of the carrying values of assets held under capital lease at June 30, 2019:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Capital Lease at June 30, 2019	Outstanding Balances per Lease Schedules at June 30, 2019
	( + )	( - )	( = )	
Leased Land and Land Improvements	\$ 58,409,705	\$ —	\$ 58,409,705	\$ 44,858,886
Leased Infrastructure	39,705,000	16,437,870	23,267,130	33,381,073
Leased Equipment	33,116,210	18,784,418	14,331,792	14,921,162
Leased Buildings and Building Improvements	3,407,691,820	1,077,560,584	2,330,131,236	2,757,495,189
Leased Facilities and Other Improvements	6,457,991	3,017,656	3,440,335	4,715,048
Total Assets Held Under Capital Lease	<u>\$ 3,545,380,726</u>	<u>\$ 1,115,800,528</u>	<u>\$ 2,429,580,198</u>	<u>\$ 2,855,371,358</u>

Certain capital leases provide for renewal and/or purchase options. Generally purchase options at bargain prices of one dollar are exercisable at the expiration of the lease terms.

### Operating Leases

The USG leases land, facilities, office and computer equipment, and other assets. Some of these leases are considered for accounting purposes to be operating leases. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. Other leases generally contain provisions that, at the expiration date of the original term of the lease, the USG has the option of renewing the lease on a year-to-year basis. Leases renewed yearly for a specified time period, i.e. lease expires at 12 months and must be renewed for the next year, may not meet the qualification as an operating lease. The USG's operating lease expense for fiscal year 2019 was \$53,434,221 which includes payments to related parties of \$25,581,692. The USG is obligated to pay these related parties a total of \$33,641,551 in the next fiscal year.

Future commitments for capital leases and for non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2019, are as follows:

	Real Property and Equipment	
	Capital Leases	Operating Leases
Year Ending June 30:		
2020	\$ 264,186,458	\$ 54,425,738
2021	264,224,530	49,898,312
2022	263,966,752	45,059,011
2023	261,500,460	43,468,698
2024	260,613,279	40,291,713
2025 through 2029	1,301,501,807	138,388,492
2030 through 2034	1,121,403,037	82,610,556
2035 through 2039	768,358,340	4,695,963
2040 through 2044	181,444,995	805,557
2045 through 2049	27,964,281	663,580
2050 through 2054	2,321,555	265,432
Total minimum lease payments	4,717,485,494	<u>\$ 460,573,052</u>
Less: Interest	1,502,191,913	
Less: Executory costs	359,922,223	
Principal Outstanding	<u>\$ 2,855,371,358</u>	

### Operating Lease Revenue

The USG leases certain facilities for use by others for terms varying from 1 to 10 years. The leases are accounted for as operating leases; revenue for services provided and for use of facilities are recorded when earned.

Total revenues from rental of facilities were \$599,591 for the fiscal year ended June 30, 2019. Minimum future revenues and rentals to be received under operating leases as of June 30, 2019, are as follows:

Year Ending June 30:	Real Property
	<u>Operating Leases</u>
2020	\$ 811,055
2021	833,682
2022	852,140
2023	871,284
2024	495,023
2025 through 2029	<u>1,146,664</u>
Total Minimum Lease Revenues	<u>\$ 5,009,848</u>

## Note 14 Retirement Plans

The USG participates in various retirement plans administered by the State of Georgia under two major retirement systems: Teachers Retirement System of Georgia (TRS) and Employees' Retirement System of Georgia (ERS). These two systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

The USG also provides two other retirement plans - the Augusta University Early Retirement Pension Plan and the Regents Retirement Plan.

The significant retirement plans that the USG participates in are described below. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

### A. Teachers Retirement System of Georgia and Employees' Retirement System of Georgia

#### General Information about the Teachers Retirement System

##### *Plan description*

All teachers of the USG as defined in O.C.G.A. § 47-3-60 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at [trsga.com/publications](https://trsga.com/publications).

##### *Benefits Provided*

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

##### *Contributions*

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2019. USG's contractually required contribution rate for the year ended June 30, 2019 was 20.90% of annual the USG payroll. The USG's contributions to TRS totaled \$391,455,859 for the year ended June 30, 2019.

#### General Information about the Employees' Retirement System

##### *Plan description*

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [ers.ga.gov/financials](https://ers.ga.gov/financials).

##### *Benefits provided*

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

#### Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2019 was 24.78% of annual covered payroll for old and new plan members and 21.78% for GSEPS members. The rates include the annual actuarially determined employer contributions rate of 24.66% of annual covered payroll for old and new plan members and 21.66% for GSEPS members, plus a 0.12% adjustment for the HB 751 one time benefit adjustment of 3% to retired state employees. USG's contributions to ERS totaled \$3,537,809 for the year ended June 30, 2019. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2019, the USG reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2017. An expected total pension liability as of June 30, 2018 was determined using standard roll-forward techniques. The USG's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2018. At June 30, 2018, the USG's TRS proportion was 15.231314%, which was an increase of 0.183514% from its proportion measured as of June 30, 2017. At June 30, 2018, the USG's ERS proportion was 0.502234%, which was an increase of 0.036570% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the USG recognized pension expense of \$320,425,986 for TRS and \$3,721,808 for ERS. At June 30, 2019, the USG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 187,168,477	\$ 5,827,041	\$ 642,162	\$ —
Changes of assumptions	42,662,300	—	972,737	—
Net difference between projected and actual earnings on pension plan investments	—	77,302,724	—	475,807
Changes in proportion and differences between contributions and proportionate share of contributions	106,719,317	42,174,871	2,400,447	1,260,260
Contributions subsequent to the measurement date	391,455,859	—	3,537,809	—
<b>Total</b>	<b>\$ 728,005,953</b>	<b>\$ 125,304,636</b>	<b>\$ 7,553,155</b>	<b>\$ 1,736,067</b>

The USG's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	TRS	ERS
2020	\$ 172,483,295	\$ 2,353,231
2021	\$ 91,726,331	\$ 929,593
2022	\$ (62,013,602)	\$ (790,948)
2023	\$ 5,741,493	\$ (212,597)
2024	\$ 3,307,941	\$ —

### **Actuarial assumptions**

The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

#### Teachers Retirement System

Inflation	2.75%
Salary increases	3.25% - 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

#### Employees' Retirement System

Inflation	2.75%
Salary increases	3.25 – 7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9–12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on TRS and ERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:



Asset class	TRS target allocation	ERS target allocation	Long-term expected real rate of return*
Fixed income	30.00%	30.00%	(0.50)%
Domestic large equities	39.80%	37.20%	9.00 %
Domestic mid equities	3.70%	3.40%	12.00 %
Domestic small equities	1.50%	1.40%	13.50 %
International developed market equities	19.40%	17.80%	8.00 %
International emerging market equities	5.60%	5.20%	12.00 %
Alternatives	—%	5.00%	10.50 %
Total	100.00%	100.00%	

\* Rates shown are net of inflation

### Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 7.50% and 7.30%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the Institute's proportionate share of the net pension liability to changes in the discount rate:

The following presents the USG's proportionate share of the net pension liability calculated using the above discount rates, as well as what the USG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

#### Teachers Retirement System:

	1% Decrease	Current discount rate	1% Increase
Proportionate share of the net pension liability	\$ 4,719,503,371	\$ 2,827,258,134	\$ 1,267,951,755

#### Employees' Retirement System:

	1% Decrease	Current discount rate	1% Increase
Proportionate share of the net pension liability	\$ 29,367,336	\$ 20,647,007	\$ 13,217,060

### Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and ERS financial reports which are publically available at [trsga.com/publications](http://trsga.com/publications) and [ers.ga.gov/financials](http://ers.ga.gov/financials), respectively.

## B. Early Retirement Pension Plan

### Plan Description

Augusta University Early Retirement Pension Plan (ERP) is a single-employer defined benefit pension plan administered by Findley, Inc., formerly Findley Davies/Bryan, Pendleton, Swats, and McAlister (BPS&M). The plan was derived by Augusta University as a means of workforce reduction and was approved by the Board of Regents of the University System of Georgia (BOR) effective January 1, 2000.

The plan was designed to provide eligible participants additional benefits above the amounts payable through Teachers Retirement System of Georgia (TRS). The plan was designed to allow vested employees aged 55 or employees of any age with 25 years of creditable service to retire without penalties as applied by the TRS for early retirement.

The plan would allow for all participants to retire as if they were vested and aged 60 or had attained 30 years of creditable service. Any member who opted into the Optional Retirement Plan aged 55 with 10 years of service by June 30, 2000 was also eligible to participate in the plan.

The plan is closed to new entrants. There were no active plan participants. As of January 1, 2019, plan participants consisted of the following:

Inactive Plan Participants:

Retirees and Beneficiaries Currently Receiving Benefits	610
Terminated Employees Entitled to Deferred Benefits	0
Disabled Employees Entitled to Deferred Benefits	0
	<hr/>
Total	<u>610</u>

Benefits Provided

TRS provides a benefit equal to 2.0% of the participant’s average annual compensation during the two consecutive years of creditable service which produce the highest such average, multiplied by the number of years of creditable service, limited to 40 years. If the participant has less than 30 years of creditable service and has not attained age 60 at the time of retirement, the benefit will be reduced by the lesser of 1/12 of 7% for each month that retirement precedes age 60 or 7% for each year or fraction of a year by which the participant has less than 30 years of creditable service at the time of retirement. In addition, a one-time 3% increase is applied to the first \$37,500 of the participant’s benefit at retirement.

The ERP provides the additional benefits that would have been payable under TRS based on the following adjustments:

- Age of the participant was increased five years
- Participant’s creditable service was increased five years
- Participant’s annual rate of earnings as of August 1, 1999 was projected five years into the future with 3% increases each year

ERP benefits will be increased 3% a year as a cost-of-living adjustment (COLA): 1.5% on each January 1 and July 1. The ERP provided COLA’s for both the ERP and TRS benefits until actual eligibility for a COLA through TRS occurred. Since that time, the ERP has provided COLA’s only on the portion of the benefit paid by the ERP, and TRS has provided COLA’s under the terms of the TRS plan.

The ERP does not issue a standalone report.

Funding Policy

The fund sources that provided for an employee’s salary, as of December 31, 1999, would be responsible for funding the annuity to provide for retiree benefits. There is no additional cost to the employee/retiree, USG, or State of Georgia for this plan. Contributions are made to the plan based on the actuarial valuation of the plan. Employer contributions to the plan for fiscal year 2019 were \$13,084,672, which includes \$5,886,802 contributed to the plan by affiliated organizations on-behalf of Augusta University.

Since this plan was not pre-funded, Augusta University’s approach is to collect and deposit as much into the ERP fund in the earlier years as is possible, thereby, realizing a greater return on investment. Effective January 1, 2016, the period to amortize the unfunded accrued liability was extended 2 years. With this change, the plan should be fully funded by June 30, 2025. The funding policy is reasonable and in compliance with minimum funding requirements set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law.

Investments

Augusta University maintains an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility of the institution to the citizens of Georgia

and which conforms to the USG investment policy. All investments are consistent with USG policy and applicable Federal and state laws.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Augusta University's Investment Policy and Guidelines for managing concentration of credit risk requires that stocks and debt issues be diversified. Augusta University also relies upon the concentration of credit risk policy of the individual investment vehicles related to plan assets. More than 5% of the Pension Plan's Investments are in Western Asset Core Plus Bond Fund, VanGuard Institutional Index Fund, and Vanguard Total Stock Market Exchange-traded Fund (ETF). These investments are 7.58%, 30.27%, and 19.93% respectively of the Plan's total investments.

For the fiscal year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.53%.

#### Net Pension Liability (NPL)

The components of the net pension liability at June 30, 2019 were as follows:

Total pension liability	\$ 146,605,709
Plan fiduciary net position	<u>(105,375,867)</u>
Net pension liability	<u>\$ 41,229,842</u>

Plan Fiduciary Net Position as a percentage of total pension liability is 71.88%.

#### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019 with the results rolled forward to the June 30, 2019 measurement date using the following actuarial assumptions, applied to all periods included in the measurement: (a) rate of return of 7.50% per annum, compounded annually (b) inflation of 3 percent, and (c) cost of living increases of 3 percent per annum.

To better recognize current and future mortality improvements, effective June 30, 2018 mortality rates were based on the RP-2014 White Collar Mortality Table, adjusted to 2006, with generational mortality improvement projected after year 2006 using Scale MP-2017 rather than the previously used RP-2014 Mortality Table, adjusted to 2006, with generational mortality improvement projected after year 2006 using Scale MP-2015.

The projection of cash flows used to determine the discount rate of 7.5% per annum, compounded annually assumes that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	77.91%	6.50%
International equity	—%	7.25%
Fixed income	18.79%	1.25%
Real estate	—%	5.75%
Cash	3.30%	0.50%

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 52,750,293	\$ 41,229,842	\$ 31,136,244

Schedule of Changes in Net Pension Liability

For the year ended June 30, 2019, Augusta University recognized net pension liability of \$41,229,842 calculated as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2018	\$ 148,863,688	\$ 99,022,119	\$ 49,841,569
Interest	10,636,036	—	10,636,036
Experience losses (gains)	1,581,985	—	1,581,985
Changes of assumptions	(376,246)	—	(376,246)
Contributions - employer	—	13,084,672	(13,084,672)
Net investment income	—	7,368,830	(7,368,830)
Benefit payments	(14,099,754)	(14,099,754)	—
Net Change	(2,257,979)	6,353,748	(8,611,727)
Balance, June 30, 2019	\$ 146,605,709	\$ 105,375,867	\$ 41,229,842

AU Health Systems, Inc. and Augusta University Research Institute, Inc. contributed \$5,886,802 to the plan on behalf of Augusta University.

### Schedule of Changes in Pension Expense

For the year ended June 30, 2019, Augusta University recognized pension expense of \$4,405,138 from the following sources:

	<u>Pension Expense</u>
Interest	\$ 10,636,036
Projected investment income	(7,388,593)
Recognition of experience (gain)/loss	1,581,985
Recognition of changes in assumptions	(376,246)
Investment losses (gains)	(48,044)
Pension expense June 30, 2018	<u>\$ 4,405,138</u>

### Deferred Outflows/Inflows of Resources

At June 30, 2019, Augusta University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ —	\$ 2,499,573

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2020	\$	(564,651)
2021	\$	(1,430,853)
2022	\$	(508,020)
2023	\$	3,951

## **C. Defined Contribution Plan**

### **Regents Retirement Plan**

#### Plan Description

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan that was created/established by the Georgia General Assembly in O.C.G.A. § 47-21-1 et.seq. and administered by the Board of Regents of the University System of Georgia (Board). O.C.G.A. § 47-3-68(a) defines who may participate in the Regents Retirement Plan. An “eligible university system employee” is a faculty member or all exempt full and partial benefit eligible employees, as designated by the regulations of the Board. Under the Regents Retirement Plan, a plan participant may purchase annuity contracts from three approved vendors (VALIC, Fidelity, and TIAA-CREF) for the purpose of receiving retirement and death benefits. Benefits depend solely on amounts contributed to the plan plus investment earnings. Benefits are payable to participating employees or their beneficiaries in accordance with the terms of the annuity contracts.

#### Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2019, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The USG and the covered employees made the required contributions of \$131,889,821 (9.24%) and \$85,647,934 (6.00%), respectively.

VALIC, Fidelity, and TIAA-CREF have separately issued financial reports which may be obtained through their respective corporate offices.

## Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2019, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

The USG's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

Retirees age 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to a health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare-related expenses.

A reconciliation of total estimated claims liabilities for employees and retirees for the fiscal years ended June 30, 2019, and June 30, 2018 is shown below:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Active Employees:		
Unpaid Claims and Claim Adjustments	\$ 33,467,179	\$ 51,688,179
Incurred Claims and Claim Adjustments Expenses - Provisions for Insured Events of the Current Year *	434,268,398	383,855,818
Payments - Claims and Claim Adjustments Attributable To Insured Events of the Current Year and Prior Years *	<u>422,720,994</u>	<u>402,076,818</u>
Unpaid Claims and Claim Adjustments	<u>\$ 45,014,583</u>	<u>\$ 33,467,179</u>
Retirees:		
Unpaid Claims and Claim Adjustments	\$ 4,631,431	\$ 7,497,596
Incurred Claims and Claim Adjustments Expenses - Provisions for Insured Events of the Current Year	94,056,257	86,808,731
Payments - Claims and Claim Adjustments Attributable To Insured Events of the Current Year and Prior Years	<u>92,266,985</u>	<u>89,674,896</u>
Unpaid Claims and Claim Adjustments	<u>\$ 6,420,703</u>	<u>\$ 4,631,431</u>

\* During fiscal year 2019, the USG began excluding administrative expense directly related to the payment of active employee medical claims from claims expense in an effort to be consistent with how the State of Georgia reports direct claims administrative expense related to active employees. The effect of this change on fiscal year 2019 and 2018 activity is a reduction of active employee claims expense of \$21,599,686 and \$22,459,548, respectively.

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets.

The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

The USG is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

A self-insured program of professional liability for its employees was established by the Board of Regents of the University System of Georgia under powers authorized by the O.C.G.A § 45-9-1.

The program insures the employees to the extent that they are not immune from liability against personal liability for damages arising out of the performance of their duties or in any way connected therewith. The program is administered by DOAS as a Self-Insurance Fund.

## **Note 16 Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. This could result in refunds to the grantor agency for any expenditure disallowed under grant terms. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the Institution expects such amounts, if any, to be immaterial to its overall financial position.

Litigation, claims and assessments filed against the USG, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

## **Note 17 Post-Employment Benefits Other Than Pension Benefits**

The USG provides two other post-employment benefit plans - the Board of Regents Retiree Health Benefit Plan and the State Employees' Assurance Department Retired and Vested Inactive Members Plan.

### **Board of Regents Retiree Health Benefit Plan**

#### **A. Plan Description and Funding Policy**

The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, healthcare plan administered by the University System Office, an organizational unit of the USG. The Plan's board is the Board of Regents of the University System of Georgia (Board) that is comprised of nineteen members, all appointed by the Governor (five from state-at-large and one from each of the state's fourteen congressional districts). The Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2019, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

Retirees age 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to the retirees' health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses.



Membership of the Plan consisted of the following:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Active Employees	48,661	48,244
Retirees or Beneficiaries Receiving Benefits	19,826	19,161
Retirees or Beneficiaries Eligible But Not Receiving Benefits	<u>—</u>	<u>—</u>
Total	<u><u>68,487</u></u>	<u><u>67,405</u></u>

The contribution requirements of plan members and the employer are established and may be amended by the Board. The Plan is substantially funded on a “pay-as-you-go” basis; however, amounts above the pay-as-you-go basis may be contributed annually, either by specific appropriation or by Board designation.

Organizational units of the University System of Georgia pay the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2019 plan year, the employer rate was approximately 90% of the total contributions available to cover health insurance cost for eligible retirees and the retiree rate was approximately 10%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2019, the University System of Georgia contributed \$160,383,000 to the plan for current premiums or claims.

## **B. Plan Investments**

The Plan’s investments are segregated for OPEB in the Board of Regents’ Balanced Income pooled investment fund.

The Balanced Income Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents. The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Plan’s net asset value in the Balanced Income Fund at June 30, 2019 was \$129,446,175. This balance is reported as pooled investments on the Statement of Fiduciary Net Position.

The following table summarizes the adopted asset allocation policy as of June 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	70%
Equity Allocation	30%

At June 30, 2019, approximately 33.08%, 24.59%, 10.19%, 9.71%, 9.58%, and 5.07% of the Plan’s investments were investments in Western Asset Core Bond Portfolio, iShares Core Total U.S. Aggregate Bond ETF, iShares Russell 3000 ETF, Vanguard Institutional Index Fund, Doubleline Total Return Bond Fund, and Eaton Vance Atlanta Capital SMID-Cap Fund, respectively. These investments represents 29.64%, 22.03%, 9.14%, 8.70%, 8.58%, and 4.54%, respectively, of the Plan’s fiduciary net position.

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 7.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### C. Plan Net OPEB Liability under GASB 74

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress with multi-year trend information is presented as required supplementary information following the notes to the financial statements.

The multi-year trend schedules indicate whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The components of the net OPEB liability at June 30, 2019, were as follows:

	2019
Total OPEB Liability	\$ 4,616,022,423
Plan Fiduciary Net Position	(144,454,428)
Net OPEB Liability	<u>\$ 4,471,567,995</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability 3.13%

#### Discount Rate

The last year in which projected benefit payments are due from the Plan is 2118.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Expected Nominal Rate of Return	Long-term Expected Real Rate of Return
Fixed Income	3.61%	1.09%
Equity Allocation	7.07%	4.46%

\* Rates shown are net of the 2.50% assumed rate inflation.

The Plan's projected fiduciary net position at the end of 2023 is \$0, based on the valuation completed for the fiscal year ending June 30, 2019. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2023. Therefore, the long-term expected rate of return on Plan investments of 4.50% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2019, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 3.50% from the Bond Buyers GO 20-Bond Municipal Bond Index.

In projecting the Plan's fiduciary net position, the following assumptions were made:

1. Projected total contributions are simply the pay as you go costs of the plan. Because the current contribution policy is not designed to pre-fund the plan, the unfunded liability is not expected to be paid off at any point in the future.
2. Assumed contributions are based on the contribution policy.
3. Projected benefit payments have been determined in accordance with Paragraphs 30-35 of GASB Statement No. 74, and are based on the closed group of active, retired members and beneficiaries as of June 30, 2019. Benefit payments are assumed to be paid mid-year.
4. Administrative expenses are \$0.5 million for 2020 and are assumed to increase annually with inflation. Expenses are assumed to be paid mid-year.
5. Projected investment earnings are based on the assumed investment rate of return of 4.50% per annum.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate (3.50%):

	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
Net OPEB Liability	\$ 5,293,080,202	\$ 4,471,567,995	\$ 3,786,696,694

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 3,749,646,451	\$ 4,471,567,995	\$ 5,376,308,315
Pre-Medicare Eligible	5.9% decreasing to 3.5%	6.9% decreasing to 4.5%	7.9% decreasing to 5.5%
Medicare Eligible	3.5%	4.5%	5.5%

Actuarial Methods and Assumptions

The impact of the Affordable Care Act (ACA) was addressed in the valuations for the Regents Plan. While the impact of certain provisions [such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate] should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances. Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

Projections of benefits for financial reporting purposes are based on the substantive plan (plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation is as follows:

Valuation Date	May 1, 2019. Update procedures were used to roll forward the total OPEB liability to June 30, 2019.
Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2019 3.50% from Bond Buyers GO 20-Bond Municipal Bond Index Interest Rate as of 6/30/2018 3.87% from Bond Buyers GO 20-Bond Municipal Bond Index Long-term Rate of Return 4.50% General Inflation 2.50% Salary Increase 4.00%
Mortality Rates	Healthy: Pub-2010 for Teachers (as appropriate) headcount weighted projected with scale MP-2018  Disabled: Pub-2010 Disabled Mortality for Teachers (as appropriate) headcount weighted projected with scale MP-2018
Healthcare Cost Trend	
Pre-Medicare Eligible	6.9%
Medicare Eligible	4.5%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4.5%
Year Ultimate Trend is Reached	Fiscal Year 2031 for Pre-Medicare Eligible, Fiscal Year 2020 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019. All other assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2014.

#### Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to reflect current estimates of the impact of the Excise Tax, due to the updated claims assumption.
- Mortality rates were changed from RP-2014 White Collar Mortality Table with Generational Improvements by Scale MP-2014 to Pub-2010 for Teachers (as appropriate) headcount weighted projected with scale MP-2018.
- Retirement rates were updated from rates developed for the Teacher's Retirement System to rates based on actual experience.
- The discount rate was updated from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

#### **D. USG's Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB under GASB 75**

The USG's net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2018 with roll-forward procedures performed to update the total liability to June 30, 2018. The USG's net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2018. At June 30, 2018, the USG's net OPEB liability related to the Plan was \$4,410,751,099, which was an increase of \$191,025,227 from the liability measured as of June 30, 2017.

For the year ended June 30, 2019, the USG recognized OPEB expense of \$349,663,636. At June 30, 2019, the USG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 307,571,116	\$ —
Changes of assumptions	—	495,150,856
Net difference between projected and actual earnings on OPEB plan investments	941,132	—
Contributions subsequent to the measurement date	<u>160,383,000</u>	<u>—</u>
Total	<u>\$ 468,895,248</u>	<u>\$ 495,150,856</u>

The USG's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2020	\$	(44,107,264)
2021	\$	(44,107,264)
2022	\$	(44,107,264)
2023	\$	(42,256,125)
2024	\$	(6,663,363)
Thereafter	\$	(5,397,328)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress with multi-year trend information is presented as required supplementary information following the notes to the financial statements.

The multi-year trend schedules indicate whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The components of the net OPEB liability at June 30, 2018, were as follows:

Total OPEB Liability	\$ 4,486,796,090
Plan Fiduciary Net Position	(76,044,991)
Net OPEB Liability	<u>\$ 4,410,751,099</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability 1.69%

The changes in net OPEB liability at June 30, 2018, were as follows:

<u>Total OPEB Liability</u>	
Service Cost	\$ 236,916,639
Interest	158,222,522
Differences Between Expected and Actual Experience	264,729,331
Changes of Assumptions	(310,106,837)
Benefit Payments/Refunds	<u>(90,548,660)</u>
Net Change in Total OPEB Liability	259,212,995
Total OPEB Liability - Beginning	<u>4,227,583,095</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 4,486,796,090</u></u>
<u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 158,419,937
Net Investment Income	801,316
Administrative Expense	(484,825)
Benefit Payments/Refunds	<u>(90,548,660)</u>
Net Change in Plan Fiduciary Net Position	68,187,768
Plan Fiduciary Net Position - Beginning	<u>7,857,223</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 76,044,991</u></u>
Net OPEB Liability Ending (a - b)	<u><u>\$ 4,410,751,099</u></u>

Discount Rate

The last year in which projected benefit payments are due from the Plan is 2117.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	70%	1.1%
Equity Allocation	30%	3.98%

Rates shown are net of the 2.50% assumed rate inflation.

The Plan's projected fiduciary net position at the end of 2022 is \$0, based on the valuation completed for the fiscal year ending June 30, 2018. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2022. Therefore, the long-term expected rate of return on Plan investments of 4.50% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2018, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 3.87% from the Bond Buyers Index.

In projecting the Plan's fiduciary net position, the following assumptions were made:

1. Projected total contributions are simply the pay as you go costs of the plan. Because the current contribution policy is not designed to pre-fund the plan, the unfunded liability is not expected to be paid off at any point in the future.
2. Assumed contributions are based on the contribution policy.
3. Projected benefit payments have been determined in accordance with Paragraphs 30-35 of GASB Statement No. 75, and are based on the closed group of active, retired members and beneficiaries as of June 30, 2017. benefit payments are assumed to be paid mid-year.
4. Administrative expenses are \$0.5 million for 2019. Expenses are assumed to be paid mid-year.
5. Projected investment earnings are based on the assumed investment rate of return of 4.50% per annum.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate (3.87%):

	1% Decrease 2.87%	Current Rate 3.87%	1% Increase 4.87%
Net OPEB Liability	\$ 5,262,300,218	\$ 4,410,751,099	\$ 3,744,760,263

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 3,719,384,943	\$ 4,410,751,099	\$ 5,320,398,518
Pre-Medicare Eligible	6.1% decreasing to 3.5%	7.1% decreasing to 4.5%	8.1% decreasing to 5.5%
Medicare Eligible	3.5%	4.5%	5.5%

Actuarial Methods and Assumptions

The impact of the Affordable Care Act (ACA) was addressed in the valuations for the Regents Plan. While the impact of certain provisions [such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate] should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances. Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

Projections of benefits for financial reporting purposes are based on the substantive plan (plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



Additional information as of the latest actuarial valuation is as follows:

Valuation Date	May 1, 2018. Update procedures were used to roll forward the total OPEB liability to June 30, 2018.
Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2018 3.87% from Bond Buyers Index Interest Rate as of 6/30/2017 3.58% from Bond Buyers Index Long-term Rate of Return 4.50% General Inflation 2.50% Salary Increase 4.00%
Mortality Rates	Healthy: RP-2014 White Collar Mortality Table with Generational Improvements by Scale MP-2014  Disabled: RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females)
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.1%
Medicare Eligible	4.5%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4.5%
Year Ultimate Trend is Reached	2030 for Pre-Medicare Eligible, 2019 for Medicare Eligible
Experience Study	The actuarial assumptions used in the valuation are based on the results of the most recent actuarial experience studies, which covered the five-year period ending June 30, 2014. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation for the Plan were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

Changes in Assumptions Since Prior Valuation

Expected claims costs were updated to reflect actual claims experience. Trend was reset based on current conditions. Disability, Termination, Retirement, and Disabled Mortality were updated to reflect the current Teachers Retirement System of Georgia.

**State Employees' Assurance Department Retired and Vested Inactive Members Plan**

**A. Plan Description and Funding Policy**

State Employees' Assurance Department Retired and Vested Inactive Members Plan (SEAD-OPEB) was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than OPEB Plans*. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits provided:

The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Contributions:

Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2019.

**B. OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB under GASB 75**

At June 30, 2019, the USG reported an asset of \$2,501,455 for its proportionate share of the net OPEB asset, which is reported as other assets on the Statement of Net Position. The net OPEB asset was measured as of June 30, 2018. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2017. An expected total OPEB asset as of June 30, 2018 was determined using standard roll-forward techniques. The USG's proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2018. At June 30 2018, the USG's proportion was .924253%, which was an increase of .137683% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the USG recognized OPEB expense of (\$387,863). At June 30, 2019, the USG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 27,331	\$ —
Changes of assumptions	128,517	—
Net difference between projected and actual earnings on OPEB plan investments	—	413,537
Changes in proportion and differences between contributions and proportionate share of contributions	58,720	316,544
Total	<u>\$ 214,568</u>	<u>\$ 730,081</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2020	\$	(213,867)
2021	\$	(140,764)
2022	\$	(126,336)
2023	\$	(34,546)

Actuarial assumptions:

The total OPEB asset as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25 – 7.00%, including inflation
Investment rate of return	7.30%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Postretirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014, with the exception of investment rate of return. Subsequent to the June 30, 2017 measurement date, the SEAD Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the SEAD Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.50)%
Domestic large equities	37.20%	9.00 %
Domestic mid equities	3.40%	12.00 %
Domestic small equities	1.40%	13.50 %
International developed market equities	17.80%	8.00 %
International emerging market equities	5.20%	12.00 %
Alternatives	5.00%	10.50 %
Total	100.00%	

\* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate:

The discount rate used to measure the total OPEB asset was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Sensitivity of the Employer's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents the USG's proportionate share of the net OPEB asset calculated using the discount rate of 7.30%, as well as what the USG's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease 6.3%	Current Rate 7.3%	1% Increase 8.3%
Net OPEB Asset	\$ 1,347,775	\$ 2,501,455	\$ 3,447,085

OPEB plan fiduciary net position:

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS comprehensive annual financial report which is publically available at [ers.ga.gov/financials](http://ers.ga.gov/financials).

## Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal year 2019 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Other Personal Services	Travel
Instruction	\$ 1,043,345,008	\$ 308,673,642	\$ 366,714,126	\$ 3,114,740	\$ 21,946,633
Research	509,246,891	304,321,595	167,592,703	625,273	34,511,801
Public Service	51,229,884	143,664,956	53,725,252	1,071,017	7,657,198
Academic Support	78,286,462	268,408,090	94,011,560	725,494	6,948,507
Student Services	5,781,257	182,657,587	49,528,426	365,301	4,661,205
Institutional Support	21,932,424	334,858,722	171,515,539	8,855,436	6,512,294
Plant Operations and Maintenance	643,273	198,669,768	65,656,629	66,094	847,182
Scholarships and Fellowships	7,087	140,969	193,815	757,285	51
Auxiliary Enterprises	2,009,107	224,156,630	58,667,325	3,029,580	3,417,815
Patient Care	99,444,810	121,339,692	44,093,038	8,481	478,469
<b>Total Operating Expenses</b>	<b>\$ 1,811,926,203</b>	<b>\$ 2,086,891,651</b>	<b>\$ 1,071,698,413</b>	<b>\$ 18,618,701</b>	<b>\$ 86,981,155</b>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 9,741,000	\$ 5,178,867	\$ 185,260,589	\$ 73,552,777	\$ 2,017,527,382
Research	2,275,284	5,062,607	354,735,653	94,544,422	1,472,916,229
Public Service	585,670	3,280,614	172,706,649	8,709,158	442,630,398
Academic Support	916,223	4,558,491	155,378,633	55,732,178	664,965,638
Student Services	4,290,225	3,219,754	73,067,139	35,506,802	359,077,696
Institutional Support	2,930,813	9,844,175	729,401,478	38,071,977	1,323,922,858
Plant Operations and Maintenance	3,321	118,957,339	307,367,482	90,961,323	783,172,411
Scholarships and Fellowships	300,077,877	—	211,364	217	301,388,665
Auxiliary Enterprises	29,603,507	43,799,463	355,069,246	122,083,202	841,835,875
Patient Care	—	139,235	150,692,817	4,214	416,200,756
<b>Total Operating Expenses</b>	<b>\$ 350,423,920</b>	<b>\$ 194,040,545</b>	<b>\$ 2,483,891,050</b>	<b>\$ 519,166,270</b>	<b>\$ 8,623,637,908</b>

## Note 19 Subsequent Event

In March 2018, the Board of Regents of the University System of Georgia (BOR), by and on behalf of the Georgia Institute of Technology, entered into a lease agreement with Georgia Tech Facilities, Inc., a component unit, for the Dalney Building. This facility will be used by the Institute for office space and for parking via the attached parking structure. The lease term is for thirty-one years and five months. Pre-payments for rent during the construction period began March 2018, however, rental payments for the lease period will not begin until September 1, 2019. Total estimated rental payments will be \$71,064,952 over the lease period. Monthly rental payments will include base rent and a repair and replacement contribution. Total rental payments for fiscal year 2020 are expected to equal \$1,887,179. The capital lease liability and capital asset will be recorded on the Institute's books in fiscal year 2020 once construction is complete and the certificate of occupancy is issued.

In April 2019, the Board of Regents of the University System of Georgia (BOR) entered into a rental agreement with Georgia Tech Facilities, Inc., a component unit, for the Campus Center. The Campus Center is a student center complex comprised of a student center, pavilion, exhibition hall, and café. The existing Fred B. Wenn Student Center will undergo related improvements as part of the Campus Center project. This collection of buildings will be a central

point of resources, gathering, entertainment and restoration for the Georgia Tech Community. The lease term is for thirty-one years. Total estimated rental payments will be \$203,997,229 over the lease period. Semi-annual rental payments will include base rent and a repair and replacement contribution. Rental payments will begin fiscal year 2021 with total rental payments expected to equal \$1,613,472 in that year. The capital lease liability and capital asset will be recorded on the Institute's books in fiscal year 2021 once construction is complete and the certificate of occupancy is issued.

In fiscal year 2020, Kennesaw State University Foundation, Inc. transferred title of a multi-purpose building and surrounding land to the University. The property was previously the subject of a capital lease that expired on June 30, 2019.

During a Board of Regents meeting on August 8, 2019 the Board approved transferring approximately 54.6 acres of real property located at 659 Mount Pleasant Road, Rydal to Bartow County. The County and The Etowah Valley Historical Society will assume responsibility for preservation and operation of the Property. KSU would realize a one-time savings of approximately \$339,000 related to deferred maintenance and repair it would no longer need to perform. In addition, KSU estimates approximately \$58,000 in annual savings associated with routine maintenance, utilities, and staffing requirements that would be eliminated by the transfer.

In fiscal year 2020, the Technical College System of Georgia transferred property consisting of the former Oakwood Campus of Lanier Technical College to the University of North Georgia. The Georgia State Financing and Investment Commission (GSFIC) has also approved renovations to this property in the amount of \$13.6 million, which will be included in the gift.

On May 15, 2018, the Board of Regents of the University System of Georgia (BOR) authorized the Eco-Commons Glade (the "Glade") project. The Glade is an eight-acre portion of the Eco-Commons, which encompasses approximately eighty acres of space on campus, and includes a performance landscape and passive greenspace, which will become the centerpiece for non-structured activities enhancing campus life. Consistent with GIT's philosophy of using its campus as a Living Learning Laboratory, the Glade project will include the creation of a stream channel used to educate students about historic water flow and storm water capture for reuse and infiltration. This stream channel moves Georgia Tech's closer to its goal of reducing storm water runoff by fifty percent. A regional cistern will supply water for irrigation, reducing the demand for potable water by at least six million gallons annually. Other targeted ecological performance outcomes of the Glade include a 20% increase in the campus tree canopy, a 26% increase in woodland areas, and a 92% reduction in impervious surfaces. The Glade has a total project budget of \$15 million, including \$2.5 million of expected donor funds. Construction for this project began in September 2019 and with an expected completion by July 2020.

## **Note 20 Component Units**

Related organizations promote, support, and assist the USG in its role in accordance with stated system needs and goals. Together, they add significantly to the USG assets and revenues for programs and services, and ultimately enhance the USG's performance of its mission.

The USG has twenty-five related organizations that are considered component units of the State of Georgia and, thus, are required to be reported in the USG's financial statements. Although the USG is not fiscally accountable for these entities, it has been determined that the nature and significance of the relationship between the USG and these organizations is such that exclusion from the USG's financial statements would render them misleading. An annual audit of each component unit's financial statements is conducted by independent accounting firms. The twenty-five organizations included in this presentation are described below:

### **AU Health Systems, Inc.**

AU Health System, Inc. (AUHS) located in Augusta, Georgia, is a legally separate, tax-exempt organization was incorporated under the laws of the State of Georgia as a non-profit corporation on June 1, 2010. The AUHS was established to promote the health sciences education missions and other tax-exempt functions and purposes of Augusta University (AU), AU Medical Associates, Inc. (AUMA), AU Medical Center, Inc. (AUMC), Roosevelt Warm Springs Rehabilitation & Specialty Hospitals, Inc. (RWSH), and other cooperating organizations and entities with AU.

AU Health System, Inc. was organized to achieve joint coordination and strategic planning among Augusta University (AU), AU Medical Center, Inc. (AUMC), AU Medical Associates, Inc. (AUMA), and other affiliated entities, including the

educational activities of Augusta University and the Medical College of Georgia (MCG), one of nine colleges within Augusta University. On the main campus in Augusta, Georgia, the Augusta University Health Sciences Campus, AUHS manages AUMC's 478-licensed bed tertiary and quaternary academic medical center, the 154-licensed bed Children's Hospital of Georgia, the clinical arm of the Georgia Cancer Center, and certain outpatient sites (collectively, the Medical Center). The Medical Center serves as the academic teaching and research center for MCG and other Augusta University health professional schools, notably the School of Nursing and the School of Allied Health Professionals.

#### **Augusta University Foundation, Inc.**

Augusta University Foundation, Inc. (AUF) is a private nonprofit corporation organized for the purpose of establishing and administering an endowment fund for the benefit of Augusta University (the "University"), a unit of the University System of Georgia, and to the University's students, faculty, and staff. Substantially all donations are received from alumni and contributors in the Augusta, Georgia area. The AUF acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. During the year ended June 30, 2019, the AUF distributed approximately \$919,165 to the University in support of capital outlay projects, scholarships, and other supporting activities.

The consolidated financial statements of AUF have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Foundation is the single member of the following three limited liability companies: 1) ASU Jaguar Student Housing I, LLC, which is a limited liability company organized for the purpose of constructing and holding an apartment complex for the benefit of students attending Augusta University; 2) ASU Jaguar Student Center, LLC, which is a limited liability company organized for the purpose of constructing and holding the student center property located on the campus of the University for the benefit of its students; 3) ASU Student Life, LLC, which is a limited liability company organized for the purpose of constructing a student life center. ASU Student Life, LLC was dissolved during the year ended June 30, 2019.

AUF reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. For external financial reporting purposes in these financial statements, the FASB reports were reclassified to the GASB presentation.

#### **Augusta University Research Institute, Inc.**

Augusta University Research Institute (AURI) is a legally separate, tax-exempt component unit of the State of Georgia reporting entity. AURI serves to enhance the research mission of Augusta University by securing sponsored research funding and by providing funding of special research initiatives. During the year ended June 30, 2019, AURI distributed approximately \$59,743,984 to Augusta University for research contracts.

#### **Georgia Advanced Technology Ventures, Inc.**

Georgia Advanced Technology Ventures (GATV) is a legally separate, not-for-profit corporation under the laws of the state of Georgia and a supporting organization of the Georgia Institute of Technology (the Institute) focused on technology, commercialization, economic development and relevant real estate development. GATV provides support for technology transfer and economic development activities, including the Institute's Advanced Technology Development Center (ATDC) incubator facilities and services to ATDC-affiliated companies.

For the year ended June 30, 2019, GATV distributed \$538,284 to the Institute for supporting activities. Georgia Tech is obligated under various operating lease agreements with GATV, a related party, in the amount of \$64,595,668.

GATV reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB audited financial statements were reclassified to the GASB presentation for these financial statements.

#### **Georgia College & State University Foundation, Inc.**

The Georgia College & State University Foundation (GC&SUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The GC&SUF acts primarily as a fund-raising organization to supplement the resources that are available to the Georgia College & State University in support of its programs. During the year ended June 30, 2019, the GC&SUF distributed approximately \$1,128,909 to Georgia College & State University in support of capital outlay projects, scholarships and other supporting activities.

**Georgia Gwinnett College Foundation, Inc.**

Georgia Gwinnett College Foundation, Inc. (GGCF) was established on May 8, 2006 to serve as an advocate for Georgia Gwinnett College, a unit of the USG. GGCF's primary objective is to receive, invest, account for, and allocate private gifts and contributions in support of the Georgia Gwinnett College. Support and revenue is generated primarily through individual and corporate pledge and contributions.

GGCF is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**Georgia Health Sciences Foundation, Inc.**

Georgia Health Sciences Foundation, Inc. (GHSF) was established to contribute to the long-term enhancement of Augusta University ("AU") and to provide assistance to AU and Augusta University Medical Center, Inc. ("AUMC") in their development and fundraising activities. The Foundation is supported primarily through contributions from individuals, corporations, and other nonprofit foundations. The primary purpose of the fundraising efforts of the Foundation are to support scholarships at AU, and capital projects and other non-recurring projects at AU and AUMC. The Foundation also receives and manages an endowment for the benefit of AU and AUMC. During the year ended June 30, 2019, the GHSF distributed approximately \$3,506,734 to Augusta University in support of capital outlay projects, scholarships, and other supporting activities.

Georgia Health Sciences Foundation, Inc. is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**Georgia Southern University Housing Foundation, Inc.**

The Georgia Southern University Housing Foundation, Inc. and Subsidiaries (GSUHF) is a legally separate, tax-exempt affiliated organization which supports Georgia Southern University (GS). GSUHF acts primarily as an organization whose purpose is to acquire, construct or improve student housing and other student facilities that are available to GS in support of its programs.

The GSUHF is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**Georgia State University Athletic Association, Inc.**

The Georgia State University Athletic Association, Inc. (GSUAA) administers Georgia State University's intercollegiate athletics program, including fund-raising to support scholarships. During the year ended June 30, 2019, the GSUAA distributed approximately \$26,182,099 to Georgia State University for athletic scholarship support and other payments that were either expense reimbursements or support for Georgia State University's intercollegiate athletics program.

The GSUAA reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**Georgia State University Foundation, Inc.**

Georgia State University Foundation, Inc. and Subsidiaries (GSUF) acts primarily as a fund-raising organization to supplement the resources that are available to Georgia State University in support of its programs. During the year ended June 30, 2019, GSUF distributed approximately \$33,523,393 to Georgia State University in support of capital outlay projects, scholarships and other supporting activities.

GSUF is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**Georgia State University Research Foundation Inc.**

Georgia State University Research Foundation (GSURF) is a legally separate, tax-exempt component unit of Georgia State University (GSU) and was established to contribute to the scientific, literary, educational, and charitable functions of GSU in securing gifts, contributions, and grants from individuals, private organizations, and public agencies, and in obtaining contracts with such individuals or entities for the performance of sponsored research, development, or other programs by the various colleges, schools, departments or other units of GSU.

Most of the research grants awarded to GSURF are subcontracted to GSU, which is responsible for the fiscal administration of the grants. During the year ended June 30, 2019, GSURF distributed approximately \$87,797,178 to GSU for research contracts.

**Georgia Tech Athletic Association**

The Georgia Tech Athletic Association (GTAA) is a legally separate not-for-profit corporation under the laws of the state of Georgia. The primary purpose of the GTAA is to promote the educational programs of the Georgia Institute of Technology through student body participation in healthful exercises, recreations, athletic games and contests, as well as fundraising to support scholarships. The GTAA's mission is to inspire and empower student-athletes to be champions of academics, competition and life while emphasizing the four core values of excellence, innovation, teamwork and character. The GTAA reports under GASB standards.

For the year ended June 30, 2019, the GTAA distributed \$48 million to the Georgia Institute of Technology for athletic scholarships and other supporting activities.

**Georgia Tech Facilities, Inc.**

The Georgia Tech Facilities, Inc. (GTFI) is a legally separate, not-for-profit corporation under the laws of the state of Georgia. The purpose of GTFI is to construct buildings and other facilities as may be appropriate to meet the needs and goals of the Georgia Institute of Technology. Funding for construction is obtained from contributions or financing with debt service funded by support from various sources. During the year ended June 30, 2019, GTFI distributed approximately \$1.4 million to the Georgia Institute of Technology for supporting activities. The Georgia Institute of Technology is obligated under various capital lease agreements with the GTFI, a related party, in the amount of \$212,354,248.

GTFI reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB audited financial statements were reclassified to the GASB presentation for these financial statements.

**Georgia Tech Foundation, Inc.**

The Georgia Tech Foundation (GTF) is a legally separate, not-for-profit corporation under the laws of the state of Georgia. The purposes of the Foundation are to promote higher education in the state of Georgia, to raise and receive funds for the support and enhancement of the Georgia Institute of Technology (GT), and to aid GT in its development as a leading educational institution. For the year ended June 30, 2019, the GTF distributed \$87.7 million to GT in support of capital outlay projects, scholarships and other supporting activities. The GT is obligated under various capital lease agreements with the GTF, a related party, in the amount of \$110,230,280.

The Foundation reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB audited financial statements were reclassified to the GASB presentation for these financial statements.

**Georgia Tech Research Corporation**

The Georgia Tech Research Corporation (GTRC) is a legally separate, not-for-profit corporation under the laws of the state of Georgia. The GTRC is organized and operated primarily for the purpose of soliciting grants and contracts for research or services to be performed by or in conjunction with the Georgia Institute of Technology (GT). During the year ended June 30, 2019, the GTRC distributed \$832.2 million to GT for research contracts. The GTRC reports under GASB standards.



**Kennesaw State University Foundation, Inc.**

The Kennesaw State University Foundation (KSUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

KSUF acts primarily as a fund-raising organization to supplement the resources that are available to the Kennesaw State University (KSU) in support of its programs. During the year ended June 30, 2019, KSUF distributed approximately \$7,571,934 to KSU in support of capital outlay projects, scholarships and other supporting activities.

**Medical College of Georgia Foundation**

Medical College of Georgia Foundation, Inc. (MCGF) receives and administers funds for the support of the Medical College of Georgia, the Augusta University Health Sciences campus, and the Augusta University Health System, and manages investments and distributed funds in accordance with donor instructions and board of director's intentions for gifts. MCGF provides support for faculty chairs, research, scholarships, and other institutional programs. During the year ended June 30, 2019, MCGF paid approximately \$5,467,534 to Augusta University and its affiliates in support of students and university programs. MCGF paid approximately \$306,445 to non-affiliated organizations on behalf of Augusta University.

MCGF is a nonprofit corporation incorporated under the laws of the State of Georgia in 1954. MCGF presents its financial statements in accordance with Financial Accounting Standards Board (FASB) ASC, Financial Statements of Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**Middle Georgia State University Real Estate Foundation, Inc.**

The Middle Georgia State University Real Estate Foundation (MGAREF) is a nonprofit corporation originally incorporated on August 31, 1973 for the purpose of promoting, in various ways, the cause for higher education, expanding educational opportunities, supporting athletic programs, and acquiring and administering funds to be used to award scholarships and create endowments for the benefit of students and faculty of Middle Georgia State University (MGA). MGAREF was restructured on February 25, 2013 to acquire, construct, supervise, administer and manage assets and properties, real and personal that are held and used exclusively for the benefit of MGA.

MGAREF is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**University of Georgia Athletic Association, Inc.**

The University of Georgia Athletic Association, Inc. (UGAAA) is a legally separate, tax-exempt component unit of the State of Georgia. The UGAAA was organized in 1928 as a not-for-profit corporation to promote intercollegiate athletic sports representing the University of Georgia (UGA). Although UGA is not fiscally accountable for the UGAAA, the nature and significance of the relationship between UGA and the UGAAA is such that exclusion from these financial statements would render them misleading.

During the year ended June 30, 2019, the UGAAA made payments to UGA for services such as food services, parking services, health services, tuition, gas, electricity, security, and golf course maintenance. These payments totaled \$54.7 million.

**University of Georgia Foundation**

The University of Georgia Foundation (UGAF) is a not for profit foundation that was chartered in 1937 to receive and administer contributions for the support of the academic programs of the University of Georgia (UGA). During the year ended June 30, 2019, UGAF distributed \$53.8 million to UGA for both restricted and unrestricted purposes.

UGAF reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**University of Georgia Research Foundation, Inc.**

The University of Georgia Research Foundation (UGARF) is a legally separate, tax-exempt affiliated organization of the University of Georgia (UGA). The UGARF serves to enhance the research mission of UGA by securing sponsored research funding and by providing funding of special research initiatives. All UGA intellectual property developed through these research programs is managed by the UGARF. The seventeen-member board of the UGARF consists of designated UGA personnel, appointees of several UGA constituent groups, and individuals selected by the UGARF. All sponsored research awards are subcontracted to UGA, and other resources and related income are used to benefit the teaching, research, and outreach missions of UGA. During the year ended June 30, 2019, the UGARF distributed \$178.2 million to UGA for research contracts, \$3.3 million to UGA for restricted license and royalties, and \$5.9 million to UGA for both restricted and unrestricted support.

The UGARF includes one component unit, the UGA Real Estate Foundation, Inc. (UGAREF). The UGARF is the sole corporate member of the UGAREF, and its activities are included in the financial statements using a blended presentation. The UGAREF manages and improves various real estate assets for the benefit of UGA. The UGAREF may also provide support to the Board of Regents of the University System of Georgia and its affiliated institutions.

**University of North Georgia Real Estate Foundation, Inc.**

The University of North Georgia Real Estate Foundation, Inc. and Subsidiaries (UNGREF), is a nonprofit foundation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). The purpose of the UNGREF is to serve the needs and interest of the University of North Georgia (UNG) and to benefit and promote the well-being of its administration, faculty, staff, student body, and the people and communities served by UNG; and to acquire, lease, receive, accept, develop, manage, encumber, assign, sell, transfer and convey real property to be administered exclusively for charitable purposes for the benefit of UNG.

UNGREF reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**UWG Real Estate Foundation, Inc.**

UWG Real Estate Foundation, Inc. (UWGREF) is a legally separate, tax-exempt component unit of the University of West Georgia (UWG). The UWGREF constructs research and auxiliary buildings and facilities for use by UWG, and then leases the completed buildings to UWG. The nine-member board of the UWGREF is self-perpetuating and consists of graduates and friends of UWG. Although UWG does not control the timing or amount of receipts from the UWGREF, the majority of resources or income thereon that the UWGREF holds and invests is restricted to real estate activities of UWG. During the year ended June 30, 2019, the UWGREF distributed approximately \$338,284 to UWG in support of capital outlay projects, scholarships and other supporting activities.

UWGREF reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

**University System of Georgia Foundation, Inc.**

The University System of Georgia Foundation, Inc. (USGF) is a nonprofit foundation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), and was formed on August 10, 1995. The USGF was organized and operates under the laws of the State of Georgia to serve the needs and interests of the University System of Georgia (USG).

The USGF is a cooperative organization of the USG. Its mission is to advance the USG, as a whole, consistent with the priorities determined by the USGF Board of Trustees. The USGF's support comes primarily from contributions and grants from individuals and corporations and leasing activities within the USG. The USGF has four primary goals, which are: to cultivate private support for scholarships for students to attend USG institutions, to serve as the administrative center for private grants awarded to USG office staff in "Research and Development (R&D) Centers" that feature the strategic priorities of the Board of Regents and that involve multiple USG institutions, to provide support to the Office of the Chancellor of the USG, and to facilitate financing of capital improvement projects at USG institutions.

USGF reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

### **VSU Auxiliary Services Real Estate Foundation, Inc.**

The VSU Auxiliary Services Real Estate Foundation, Inc. (VSUREF) was organized to support Valdosta State University (VSU) in its mission to provide excellent higher education to its constituencies, and to provide broad advice, consultation and support to the President of VSU. The VSUREF's primary efforts are directed toward developing VSU's facilities and infrastructure as identified in the strategic planning process and the master plan of VSU. In addition, the VSUREF may provide such services as administration of assets, advice, consultation and support to the Board of Regents and the colleges and universities of the University System of Georgia and their affiliated support organizations. The VSUREF's primary source of revenue are lease payments, and repairs and maintenance and other fees received from the Board of Regents.

The VSUREF is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements. The VSUREF's fiscal year is January 1 through December 31.

### **Elimination and Consolidation Entries**

As part of the consolidation process, the USG makes certain adjustments to component unit balances to present the information in a comparable and consistent manner, eliminate duplicated transactions, eliminate intra-component unit assets and liabilities, and correct departures from GAAP. These adjustments are summarized below:

- GTF uses different capital lease implicit interest rates than GT. An adjustment was made to report these leases consistently between component units and the USG. This adjustment decreased investments in capital leases (\$16.4 million), decreased beginning net position (\$19.0 million), and increased revenues (\$2.6 million).
- AUF grosses up investments in capital leases for interest to be received in future periods. All other component units report investments in capital leases net of interest to be received in future periods. An adjustment was made to net AUF's interest to be received in future periods with investments in capital leases. This adjustment decreased investments in capital leases (\$7.6 million) and advances (\$7.6 million).
- GSUAA reports pledge receivables that are also reported by GSUF. An adjustment was made to eliminate these duplicative transactions. This adjustment decreased pledges receivable (\$8.8 million), beginning net position (\$12.9 million), revenues (\$1.0 million), and expenses (\$5.1 million).
- Some component units hold investments on behalf of other component units. An adjustment was made to eliminate duplicative investment balances. This adjustment decreased assets (\$175.8 million) and liabilities (\$175.8 million).
- An adjustment was made to eliminate intra-component units receivables and payables in the amount of \$8.4 million.
- Other reclassifications were made to move \$2.2 million from due from component units to capital assets to account for construction work-in progress related to GT's Cobb Research Campus and to move \$37.7 million from accounts payable to interest payable for consistent reporting with the State's CAFR.

**Selected Financial Disclosures**

Combined component unit's endowments are comprised of the following amounts at June 30, 2019:

	Without Donor Restriction	With Donor Restriction	Total
Beginning Balance Originally Reported	\$ 423,907,607	\$ 2,663,266,368	\$ 3,087,173,975
Adjustment to Beginning Balance due to new FASB reporting	(153,601,583)	31,943,569	(121,658,014)
Beginning Balance, Restated	270,306,024	2,695,209,937	2,965,515,961
Contributions	9,986,538	111,840,029	121,826,567
Net realized and unrealized gains	11,864,107	144,053,517	155,917,624
Appropriation of endowment assets for expenditure	(7,740,726)	(103,710,361)	(111,451,087)
Transfers to comply with donor intent	(800,000)	(243,552)	(1,043,552)
Other	4,953,578	1,296,460	6,250,038
Ending	<u>\$ 288,569,521</u>	<u>\$ 2,848,446,030</u>	<u>\$ 3,137,015,551</u>

The ending balance is reported on the Statement of Net Position as follows:

Net Position

Restricted for:			
Nonexpendable	\$ —	\$ 2,341,143,849	\$ 2,341,143,849
Expendable	—	507,302,181	507,302,181
Unrestricted	288,569,521	—	288,569,521
Total Net Position	<u>\$ 288,569,521</u>	<u>\$ 2,848,446,030</u>	<u>\$ 3,137,015,551</u>

Combined component unit's investments are comprised of the following amounts at June 30, 2019:

Investment type	Fair Value	Fair Value Hierarchy			NAV
		Level 1	Level 2	Level 3	
<b>Debt Securities</b>					
U.S. Treasuries	\$ 191,526,505	\$ 162,590,692	\$ 28,935,813	\$ —	\$ —
U.S. Agencies					
Explicitly Guaranteed	668,124	—	668,124	—	—
Implicitly Guaranteed	14,226,788	4,224,368	10,002,420	—	—
Bond Securities	192,424,280	141,100,603	21,998,677	—	29,325,000
Corporate Debt	118,602,169	13,663,815	104,938,354	—	—
Money Market Mutual Funds	161,584,047	159,958,499	1,625,548	—	—
Municipal Obligations	2,905,599	—	2,905,599	—	—
Mutual Bond Funds	81,013,139	34,807,450	46,205,689	—	—
Certificates of Deposits	1,000,000	1,000,000	—	—	—
Repurchase Agreements	59,031,061	3,005,781	56,025,280	—	—
<b>Other Investments</b>					
Equity Mutual Funds - Domestic	112,777,718	112,062,619	715,099	—	—
Equity Mutual Funds - International	328,236,668	288,542,780	7,336,568	—	32,357,320
Equity Securities - Domestic	783,823,848	610,000,074	—	173,455,774	368,000
Equity Securities - International	412,517,241	364,198,241	—	—	48,319,000
Hedge Fund Limited Partnerships	714,831,562	—	—	—	714,831,562
Natural Resources, including Timber/Oil/Gas	133,973,752	—	—	15,467,070	118,506,682
Private Equity Limited Partnerships	442,320,165	—	—	145,905	442,174,260
Real Estate Held for Investment Purposes	81,370,931	—	—	81,370,931	—
Real Estate Investment Trusts	79,696,541	44,424,707	—	—	35,271,834
Other	192,711,541	90,582,639	8,244,713	3,961,932	89,922,257
	4,105,241,679	\$ 2,030,162,268	\$ 289,601,884	\$ 274,401,612	\$ 1,511,075,915
<b>Investment Pools</b>					
Board of Regents (Held by USG)					
Short-Term Fund	93,162,391				
Legal Fund	582,875				
Balanced Income Fund	11,543,393				
Total Return Fund	409,381				
Diversified Fund	1,495,968				
Diversified Fund for Foundations	21,695,076				
Office of the State Treasurer					
Georgia Fund 1	279,252				
Total Investments	\$ 4,234,410,015				

Component unit investments of \$128,861,815 are reported as cash and cash equivalents on the Statement of Net Position.

Combined component unit's capital assets are comprised of the following amounts at June 30, 2019:

	Total
Capital Assets, Not Being Depreciated:	
Land	\$ 201,584,128
Capitalized Collections	3,117,193
Construction Work-in-Progress	90,292,922
Software Development-in-Progress	5,788,163
Total Capital Assets Not Being Depreciated	<u>300,782,406</u>
Capital Assets, Being Depreciated/Amortized:	
Infrastructure	4,224,899
Building and Building Improvements	968,305,128
Facilities and Other Improvements	246,303,221
Equipment	332,185,843
Capital Leases	66,936,210
Software	32,017,995
Total Capital Assets being Depreciated/Amortized	<u>1,649,973,296</u>
Less Total Accumulated Depreciation/Amortization	<u>712,277,931</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>937,695,365</u>
Capital Assets, Net	<u>\$ 1,238,477,771</u>

Combined amounts due to component units related to direct financing lease activity as of June 30, 2019 is as follows:

	Total	Due from USG Institutions	Due from Other Parties
Year Ending June 30:			
2020	\$ 202,638,621	\$ 200,808,177	\$ 1,830,444
2021	204,348,851	202,873,238	1,475,613
2022	205,525,873	203,404,649	2,121,224
2023	204,279,731	202,162,557	2,117,174
2024	203,879,659	201,766,922	2,112,737
Thereafter	2,901,984,521	2,638,171,444	263,813,077
Total minimum lease payments to be received	<u>3,922,657,256</u>	<u>3,649,186,987</u>	<u>273,470,269</u>
Unearned Income	(1,538,011,499)	(1,284,058,597)	(253,952,902)
Net Investment in Direct Financing Lease	<u>\$ 2,384,645,757</u>	<u>\$ 2,365,128,390</u>	<u>\$ 19,517,367</u>

Combined component unit's long-term liabilities are comprised of the following amounts at June 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Claims and Judgments	\$ 2,045,616	\$ —	\$ 464,992	\$ 1,580,624	\$ 1,000,000
Compensated Absences	19,801,373	6,793,255	5,253,562	21,341,066	21,341,066
Lease Purchase Obligation (Capital Lease)	82,926,743	13,086,951	12,463,804	83,549,890	8,983,816
Liabilities under Split Interest Agreement	28,055,115	2,091,033	1,226,111	28,920,037	2,396,557
Notes and Loans Payable	268,553,869	134,757,234	126,306,820	277,004,283	96,692,251
Note (Discount)/Cost of Issuance	(1,693,974)	—	243,816	(1,937,790)	—
Interest Rate Swap	30,176,076	8,285,702	968,407	37,493,371	—
Net Other Post Employment Benefits Liability	6,165,679	1,450,057	857,113	6,758,623	—
Pollution Remediation	561,929	—	561,929	—	—
Revenue/Mortgage Bonds Payable	3,118,652,529	270,150,000	236,786,135	3,152,016,394	130,329,368
Bond - Premium	181,439,519	33,591,388	21,714,300	193,316,607	—
Bond - (Discount)/Cost of Issuance	(58,439,776)	(1,475,078)	(9,251,835)	(50,663,019)	—
<b>Total Long Term Liabilities</b>	<b>\$ 3,678,244,698</b>	<b>\$ 468,730,542</b>	<b>\$ 397,595,154</b>	<b>\$ 3,749,380,086</b>	<b>\$ 260,743,058</b>

Combined component unit's capital lease obligations are comprised of the following amounts at June 30, 2019:

Year ending June 30:	
2020	\$ 13,326,269
2021	11,986,587
2022	11,227,337
2023	10,034,268
2024	8,469,139
2025 through 2029	30,055,997
2030 through 2034	25,455,346
2035 through 2039	2,068,954
<b>Total minimum lease payments</b>	<b>112,623,897</b>
Less: Interest	29,074,007
<b>Principal Outstanding</b>	<b>\$ 83,549,890</b>

Combined component unit's notes and loans are comprised of the following amounts at June 30, 2019:

	Principal	Interest	Total
Year ending June 30:			
2020	\$ 96,692,251	\$ 6,514,761	\$ 103,207,012
2021	5,975,104	6,161,651	12,136,755
2022	31,447,780	5,489,886	36,937,666
2023	6,300,633	5,101,191	11,401,824
2024	55,753,508	4,093,230	59,846,738
2025 through 2029	46,148,117	10,660,134	56,808,251
2030 through 2034	19,749,178	2,590,821	22,339,999
2035 through 2039	14,892,712	1,332,187	16,224,899
2040 through 2044	45,000	518	45,518
	277,004,283	41,944,379	318,948,662
Note Discount/Cost of Issuance	(1,937,790)	—	(1,937,790)
<b>Total</b>	<b>\$ 275,066,493</b>	<b>\$ 41,944,379</b>	<b>\$ 317,010,872</b>

Combined component unit's bonds payable are comprised of the following amounts at June 30, 2019:

	Principal	Interest	Total
Year ending June 30:			
2020	\$ 130,329,368	\$ 140,765,414	\$ 271,094,782
2021	109,783,299	135,722,247	245,505,546
2022	117,008,558	130,707,921	247,716,479
2023	149,466,152	124,541,343	274,007,495
2024	127,524,017	118,042,802	245,566,819
2025 through 2029	740,475,000	493,457,518	1,233,932,518
2030 through 2034	783,020,000	315,487,647	1,098,507,647
2035 through 2039	658,965,000	155,096,052	814,061,052
2040 through 2044	248,210,000	41,721,433	289,931,433
2045 through 2049	70,740,000	12,750,701	83,490,701
2050 through 2054	16,495,000	1,409,850	17,904,850
	<u>3,152,016,394</u>	<u>1,669,702,928</u>	<u>4,821,719,322</u>
Bond Premium	193,316,607	—	193,316,607
Bond Discount/Cost of Issuance	(50,663,019)	—	(50,663,019)
Total	<u>\$ 3,294,669,982</u>	<u>\$ 1,669,702,928</u>	<u>\$ 4,964,372,910</u>





REQUIRED SUPPLEMENTARY  
INFORMATION

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
DEFINED BENEFIT PENSION PLANS  
FOR THE LAST TEN YEARS**

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Early Retirement Plan	6/30/2019	\$ 11,521,141	\$ 13,084,672	\$ (1,563,531)	N/A	N/A
	6/30/2018	\$ 11,767,714	\$ 13,084,672	\$ (1,316,958)	N/A	N/A
	6/30/2017	\$ 12,107,903	\$ 13,084,672	\$ (976,769)	N/A	N/A
	6/30/2016	\$ 12,760,669	\$ 13,084,672	\$ (324,003)	N/A	N/A
	6/30/2015	\$ 12,996,582	\$ 13,084,672	\$ (88,090)	N/A	N/A
	6/30/2014	\$ 13,045,051	\$ 13,084,672	\$ (39,621)	N/A	N/A
	6/30/2013	\$ 13,055,907	\$ 13,225,850	\$ (169,943)	N/A	N/A
	6/30/2012	\$ 12,861,601	\$ 13,225,850	\$ (364,249)	N/A	N/A
	6/30/2011	\$ 12,973,559	\$ 13,225,850	\$ (252,291)	N/A	N/A
	6/30/2010	\$ 13,050,409	\$ 13,225,850	\$ (175,441)	N/A	N/A
Employees' Retirement System	6/30/2019	\$ 3,537,809	\$ 3,537,809	\$ —	\$ 13,094,926	27.02%
	6/30/2018	\$ 3,201,803	\$ 3,201,803	\$ —	\$ 12,768,728	25.08%
	6/30/2017	\$ 2,963,115	\$ 2,963,115	\$ —	\$ 11,464,596	25.85%
	6/30/2016	\$ 2,674,110	\$ 2,674,110	\$ —	\$ 10,285,916	26.00%
	6/30/2015	\$ 2,094,605	\$ 2,094,605	\$ —	\$ 9,219,622	22.72%
	6/30/2014	\$ 1,631,633	\$ 1,631,633	\$ —	\$ 8,690,850	18.77%
	6/30/2013	\$ 1,238,577	\$ 1,238,577	\$ —	\$ 8,312,597	14.90%
	6/30/2012	\$ 896,604	\$ 896,604	\$ —	\$ 7,701,668	11.64%
	6/30/2011	\$ 709,947	\$ 709,947	\$ —	\$ 6,819,856	10.41%
	6/30/2010	\$ 665,448	\$ 665,448	\$ —	\$ 6,392,392	10.41%
Teachers Retirement System	6/30/2019	\$ 391,455,859	\$ 391,455,859	\$ —	\$ 1,866,677,068	20.97%
	6/30/2018	\$ 303,975,717	\$ 303,975,717	\$ —	\$ 1,806,029,773	16.83%
	6/30/2017	\$ 246,086,468	\$ 246,086,468	\$ —	\$ 1,724,389,667	14.27%
	6/30/2016	\$ 232,397,988	\$ 232,397,988	\$ —	\$ 1,626,552,148	14.29%
	6/30/2015	\$ 203,874,344	\$ 203,874,344	\$ —	\$ 1,542,770,677	13.21%
	6/30/2014	\$ 181,383,954	\$ 181,383,954	\$ —	\$ 1,477,068,029	12.28%
	6/30/2013	\$ 164,293,969	\$ 164,293,969	\$ —	\$ 1,439,912,086	11.41%
	6/30/2012	\$ 148,193,749	\$ 148,193,749	\$ —	\$ 1,441,573,434	10.28%
	6/30/2011	\$ 143,479,549	\$ 143,479,549	\$ —	\$ 1,395,715,457	10.28%
	6/30/2010	\$ 135,361,497	\$ 135,361,497	\$ —	\$ 1,389,748,429	9.74%

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS  
FOR THE LAST FIVE FISCAL YEARS\***

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	6/30/2019	0.50%	\$ 20,647,007	\$ 12,768,728	161.70%	76.68%
	6/30/2018	0.47%	\$ 18,912,176	\$ 11,464,596	164.96%	76.33%
	6/30/2017	0.44%	\$ 20,881,541	\$ 10,285,916	203.01%	72.34%
	6/30/2016	0.40%	\$ 16,237,112	\$ 9,219,622	176.11%	76.20%
	6/30/2015	0.39%	\$ 14,722,566	\$ 8,690,850	169.40%	77.99%
Teachers Retirement System	6/30/2019	15.23%	\$ 2,827,258,134	\$ 1,806,029,773	156.55%	80.27%
	6/30/2018	15.05%	\$ 2,796,679,979	\$ 1,724,389,667	162.18%	79.33%
	6/30/2017	14.87%	\$ 3,067,576,327	\$ 1,626,552,148	188.59%	76.06%
	6/30/2016	14.74%	\$ 2,243,998,382	\$ 1,542,770,677	145.45%	81.44%
	6/30/2015	14.52%	\$ 1,835,025,616	\$ 1,477,068,029	124.23%	84.03%

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYERS' AND NONEMPLOYERS' NET PENSION LIABILITY  
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY  
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN  
FOR THE LAST SIX FISCAL YEARS\***

	2019	2018	2017	2016	2015	2014
Total Pension Liability	\$ 146,605,709	\$ 148,863,688	\$ 149,152,995	\$ 151,817,059	\$ 143,780,226	\$ 145,384,819
Plan Fiduciary Net Position	(105,375,867)	(99,022,119)	(90,408,065)	(80,322,348)	(79,125,737)	(76,193,610)
<b>Net Pension Liability</b>	<b>\$ 41,229,842</b>	<b>\$ 49,841,569</b>	<b>\$ 58,744,930</b>	<b>\$ 71,494,711</b>	<b>\$ 64,654,489</b>	<b>\$ 69,191,209</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.88%	66.52%	60.61%	52.91%	55.03%	52.41%
Covered Payroll	—%	—%	—%	—%	—%	—%
Employers' and Nonemployers' Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY  
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN  
FOR THE LAST SIX FISCAL YEARS\***

	2019	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>						
Interest	\$ 10,636,036	\$ 10,669,543	\$ 10,875,630	\$ 10,278,138	\$ 10,405,981	\$ 10,607,438
Differences Between Expected and Actual Experience	1,581,985	664,493	77,619	1,349,554	1,266,248	(127,876)
Changes of Assumptions	(376,246)	2,161,493	—	9,885,919	—	—
Benefit Payments/Refunds	(14,099,754)	(13,784,836)	(13,617,313)	(13,476,778)	(13,276,822)	(13,054,512)
Net Change in Total Pension Liability	(2,257,979)	(289,307)	(2,664,064)	8,036,833	(1,604,593)	(2,574,950)
Total Pension Liability - Beginning	148,863,688	149,152,995	151,817,059	143,780,226	145,384,819	147,959,769
Total Pension Liability - Ending (a)	<u>\$ 146,605,709</u>	<u>\$ 148,863,688</u>	<u>\$ 149,152,995</u>	<u>\$ 151,817,059</u>	<u>\$ 143,780,226</u>	<u>\$ 145,384,819</u>
<u>Plan Fiduciary Net Position</u>						
Contributions - Employer	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672	\$ 13,084,672
Net Investment Income	7,368,830	9,314,218	10,618,358	1,588,717	3,124,277	11,727,751
Benefit Payments/Refunds	(14,099,754)	(13,784,836)	(13,617,313)	(13,476,778)	(13,276,822)	(13,054,512)
Net Change in Plan Fiduciary Net Position	6,353,748	8,614,054	10,085,717	1,196,611	2,932,127	11,757,911
Plan Fiduciary Net Position - Beginning	99,022,119	90,408,065	80,322,348	79,125,737	76,193,610	64,435,699
Plan Fiduciary Net Position - Ending (b)	<u>\$ 105,375,867</u>	<u>\$ 99,022,119</u>	<u>\$ 90,408,065</u>	<u>\$ 80,322,348</u>	<u>\$ 79,125,737</u>	<u>\$ 76,193,610</u>
Net Pension Liability Ending (a - b)	<u>\$ 41,229,842</u>	<u>\$ 49,841,569</u>	<u>\$ 58,744,930</u>	<u>\$ 71,494,711</u>	<u>\$ 64,654,489</u>	<u>\$ 69,191,209</u>

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS  
 EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY  
 SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN  
 FOR THE LAST SIX FISCAL YEARS\***

	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.53%	10.42%	13.39%	2.02%	4.13%	18.35%

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLANS  
METHODS AND ASSUMPTIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

Changes of assumptions

Early Retirement Plan:

The expectation of retired life mortality was changed effective June 30, 2019 to the MP-2018 Mortality Improvement Scale rather than the MP-2017 to better recognize current and future mortality improvements.

Employees' Retirement System:

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 Measurement Date.

Teachers Retirement System:

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

Changes of benefit terms

Employees' Retirement System:

A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017.

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
DEFINED BENEFIT OPEB PLANS  
FOR THE LAST TEN YEARS\*  
(Dollars in thousands)**

**Board of Regents Retiree Health Benefit Plan**

Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
6/30/2019	\$ 484,599	\$ 160,383	\$ 324,216	\$ 3,375,246	4.75%
6/30/2018	\$ 467,338	\$ 158,420	\$ 308,918	\$ 3,218,771	4.92%
6/30/2017	\$ 349,859	\$ 99,584	\$ 250,275	\$ 3,122,694	3.19%
6/30/2016	\$ 295,192	\$ 111,814	\$ 183,378	\$ 3,087,013	3.62%
6/30/2015	\$ 442,359	\$ 129,823	\$ 312,536	\$ 2,608,757	4.98%
6/30/2014	\$ 403,314	\$ 120,926	\$ 282,388	\$ 2,594,800	4.66%
6/30/2013	\$ 362,426	\$ 83,414	\$ 279,012	\$ 2,466,314	3.38%
6/30/2012	\$ 345,298	\$ 88,836	\$ 256,462	\$ 2,526,212	3.52%
6/30/2011	\$ 411,516	\$ 80,262	\$ 331,254	\$ 2,432,367	3.30%
6/30/2010	\$ 381,700	\$ 69,900	\$ 311,800	\$ 2,399,532	2.91%

Notes to Schedule

Valuation Date	May 1, 2019. Update procedures were used to roll forward the total OPEB liability to June 30, 2019.
Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Investment Rate of Return	4.5%, net of OPEB plan investment expense, including inflation of 2.5%
Salary Increases	4.0%
Mortality Rates	Healthy: Pub-2010 for Teachers (as appropriate) headcount weighted projected with scale MP-2018 Disabled: Pub-2010 Disabled Mortality for Teachers (as appropriate) headcount weighted projected with scale MP-2018
Healthcare Cost Trend	Pre-Medicare Eligible: 6.9% to 4.5% reached 2031; Medicare Eligible: 4.5% reached 2020
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019. All other assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2014.

Changes in Assumptions Since Prior Valuation:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to reflect current estimates of the impact of the Excise Tax, due to the updated claims assumption.
- Mortality rates were changed from RP-2014 White Collar Mortality Table with Generational Improvements by Scale MP-2014 to Pub-2010 for Teachers (as appropriate) headcount weighted projected with scale MP-2018.
- Retirement rates were updated from rates developed for the Teacher's Retirement System to rates based on actual experience.
- The discount rate was updated from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

**State Employees' Assurance Department Retired and Vested Inactive Members Plan**

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
6/30/2019	\$ —	\$ —	\$ —	\$ 13,095	—%
6/30/2018	\$ —	\$ —	\$ —	\$ 12,769	—%

Actuarial Cost Method: Entry Age; Amortization Method: Projected Unit Credit; Remaining Amortization Period: Dollar Infinite; Asset Valuation Method: Market Value of Assets; Inflation: 2.75%; Salary Increases: 3.25%-7.00% ERS, 4.50% GJRS; Investment Rate of Return: 7.50%, Including Inflation; Cost of Living Adjustment: N/A.

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB ASSET  
COST SHARING MULTIPLE EMPLOYER DEFINED BENEFIT OPEN PLAN  
FOR THE LAST TWO FISCAL YEARS\***

	Year Ended	Proportion of the Net OPEB Asset	Proportionate Share of the Net OPEB Asset	Covered Payroll	Proportionate Share of the Net OPEB Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset
State Employees' Assurance Department Retired and Vested Inactive Members Plan	6/30/2019	0.924253%	\$ 2,501,455	\$ 12,768,728	19.59%	129.46%
	6/30/2018	0.786570%	\$ 2,044,332	\$ 11,454,514	17.85%	130.17%

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
SINGLE EMPLOYER DEFINED BENEFIT OPEB PLAN  
FOR THE LAST THREE FISCAL YEARS\***

	2019	2018	2017
<u>Total OPEB Liability</u>			
Service Cost	\$ 217,647,848	\$ 236,916,639	\$ 211,512,614
Interest	180,172,887	158,222,522	124,612,066
Changes in Benefit Terms	(11,210,551)		
Differences Between Expected and Actual Experience	(29,667,255)	264,729,331	123,090,290
Changes of Assumptions	(129,153,450)	(310,106,837)	(347,330,873)
Benefit Payments/Refunds	(98,563,146)	(90,548,660)	(89,653,306)
Net Change in Total OPEB Liability	129,226,333	259,212,995	22,230,791
Total OPEB Liability - Beginning	4,486,796,090	4,227,583,095	4,205,352,304
Total OPEB Liability - Ending (a)	<u>\$ 4,616,022,423</u>	<u>\$ 4,486,796,090</u>	<u>\$ 4,227,583,095</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	\$ 160,383,000	\$ 158,419,937	\$ 99,583,903
Net Investment Income	7,126,020	801,316	72,961
Administrative Expense	(536,437)	(484,825)	(5,044,837)
Benefit Payments/Refunds	(98,563,146)	(90,548,660)	(89,653,306)
Net Change in Plan Fiduciary Net Position	68,409,437	68,187,768	4,958,721
Plan Fiduciary Net Position - Beginning	76,044,991	7,857,223	2,898,502
Plan Fiduciary Net Position - Ending (b)	<u>\$ 144,454,428</u>	<u>\$ 76,044,991</u>	<u>\$ 7,857,223</u>
Net OPEB Liability Ending (a - b)	<u>\$ 4,471,567,995</u>	<u>\$ 4,410,751,099</u>	<u>\$ 4,219,725,872</u>

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF NET OPEB LIABILITY  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
SINGLE EMPLOYER DEFINED BENEFIT OPEB PLAN  
FOR THE LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability	\$ 4,616,022,423	\$ 4,486,796,090	\$ 4,227,583,095
Plan Fiduciary Net Position	<u>144,454,428</u>	<u>76,044,991</u>	<u>7,857,223</u>
Net OPEB Liability	<u>\$ 4,471,567,995</u>	<u>\$ 4,410,751,099</u>	<u>\$ 4,219,725,872</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.13%	1.69%	0.19%
Covered Employee Payroll	\$ 3,375,246,297	\$ 3,218,771,744	\$ 3,122,694,102
Net OPEB Liability as a Percentage of Covered Employee Payroll	132.48%	137.03%	135.13%

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS  
 BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
 SINGLE EMPLOYER DEFINED BENEFIT OPEB PLAN  
 FOR THE LAST THREE FISCAL YEARS\***

	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.99%	2.85%	0.99%

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLANS  
METHODS AND ASSUMPTIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**Board of Regents Retiree Health Benefit Plan**

Changes in Assumptions Since Prior Valuation

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to reflect current estimates of the impact of the Excise Tax, due to the updated claims assumption.
- Mortality rates were changed from RP-2014 White Collar Mortality Table with Generational Improvements by Scale MP-2014 to Pub-2010 for Teachers (as appropriate) headcount weighted projected with scale MP-2018.
- Retirement rates were updated from rates developed for the Teacher's Retirement System to rates based on actual experience.
- The discount rate was updated from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

**State Employees' Assurance Department Retired and Vested Inactive Members Plan**

Changes in Assumptions Since Prior Valuation

Subsequent to the June 30, 2017 measurement date, the SEAD Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the SEAD Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date. Therefore, an assumption change from 7.5% to 7.3% is reflected in the calculation of the total pension asset.



**UNIVERSITY SYSTEM  
OF GEORGIA**





SUPPLEMENTARY  
INFORMATION



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Abraham Baldwin Agricultural College	Albany State University	Atlanta Metropolitan State College	Augusta University
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 12,974,752	\$ 7,494,244	\$ 829,509	\$ 10,283,065
Cash and Cash Equivalents (Externally Restricted)	391,881	3,634,256	228,776	18,013,897
Short-term Investments	1,119,066	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Accounts Receivable, net	—	—	—	—
Federal Financial Assistance	267,117	1,807,822	2,132,404	8,618,200
Affiliated Organizations	33,470	—	—	555,024
Component Units	—	—	—	71,447,158
Other	1,921,722	2,642,145	540,896	20,593,566
Notes Receivable, net	—	—	—	—
Inventories	344,015	—	—	775,475
Prepaid Items	13,166	169,390	154,634	6,256,256
Other Assets	—	—	—	—
<b>Total Current Assets</b>	<b>17,065,189</b>	<b>15,747,857</b>	<b>3,886,219</b>	<b>136,542,641</b>
<b>Non-Current Assets</b>				
Accounts Receivable, net	—	—	—	—
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	801,382	69,628	197,730
Investments	—	—	—	71,902,696
Notes Receivable, net	111,327	58,514	—	2,042,024
Non-current Cash (Externally Restricted)	1,588	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	2,003,994	—	—	13,304,230
Capital Assets, net	59,164,422	210,482,749	42,084,624	682,949,901
<b>Total Non-Current Assets</b>	<b>61,281,331</b>	<b>211,342,645</b>	<b>42,154,252</b>	<b>770,396,581</b>
<b>TOTAL ASSETS</b>	<b>78,346,520</b>	<b>227,090,502</b>	<b>46,040,471</b>	<b>906,939,222</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 9,701,586</b>	<b>\$ 15,628,572</b>	<b>\$ 5,049,617</b>	<b>\$ 135,543,575</b>



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Abraham Baldwin Agricultural College	Albany State University	Atlanta Metropolitan State College	Augusta University
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,010,990	\$ 1,308,683	\$ 1,042,612	\$ 26,019,078
Salaries Payable	216,230	338,226	103,849	3,046,835
Benefits Payable	91,116	127,348	22,418	3,546,003
Contracts Payable	—	83,608	137,582	1,083,921
Retainage Payable	—	56,294	—	370,668
Interest Payable (Added for SAO)	—	—	—	—
Due to Affiliated Organizations	—	—	—	724,721
Due to Component Units	—	—	—	5,764,776
Due to USO - Capital Liability Reserve Fund	—	—	—	—
Advances (Including Tuition and Fees)	845,864	5,231,015	752,430	30,469,087
Deposits	145,950	307,519	4,937	—
Deposits Held for Other Organizations	655,648	1,460,127	420,842	1,448,306
Other Liabilities	—	—	—	—
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	19,513	3,094,538	210,509	2,831,321
Lease Purchase Obligations - Component Units	—	—	—	2,419,236
Pollution Remediation	—	—	—	—
Claims and Judgments	—	2,016,276	362,355	—
Compensated Absences	772,649	1,572,646	494,802	22,675,055
<b>Total Current Liabilities</b>	<b>3,757,960</b>	<b>15,596,280</b>	<b>3,552,336</b>	<b>100,399,007</b>
<b>Non-Current Liabilities</b>				
Advances (Including Tuition and Fees)	—	—	—	—
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	5,987	96,556,173	9,265,733	1,773,196
Lease Purchase Obligations - Component Units	—	—	—	44,075,789
Claims and Judgments	—	2,842,170	642,895	—
Compensated Absences	576,104	854,483	225,752	17,128,587
Net Other Post Employment Benefits Liability	43,650,380	64,604,668	17,588,752	520,940,139
Net Pension Liability	24,358,126	41,783,205	13,598,625	364,346,083
<b>Total Non-Current Liabilities</b>	<b>68,590,597</b>	<b>206,640,699</b>	<b>41,321,757</b>	<b>948,263,794</b>
<b>TOTAL LIABILITIES</b>	<b>72,348,557</b>	<b>222,236,979</b>	<b>44,874,093</b>	<b>1,048,662,801</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 9,384,959</b>	<b>\$ 28,734,401</b>	<b>\$ 4,600,974</b>	<b>\$ 80,632,368</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Abraham Baldwin Agricultural College	Albany State University	Atlanta Metropolitan State College	Augusta University
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 59,138,922	\$ 107,978,535	\$ 32,470,800	\$ 632,135,277
Restricted for:				
Nonexpendable	1,926,766	—	—	2,630,187
Expendable	829,263	125,143	62,528	28,467,274
Capital Projects	—	—	—	—
Higher Education	—	—	—	—
Endowment	—	—	—	—
Unrestricted (Deficit)	<u>(55,580,361)</u>	<u>(116,355,984)</u>	<u>(30,918,307)</u>	<u>(750,045,110)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,314,590</u>	<u>\$ (8,252,306)</u>	<u>\$ 1,615,021</u>	<u>\$ (86,812,372)</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Clayton State University	College of Coastal Georgia	Columbus State University	Dalton State College
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 9,434,485	\$ 4,864,489	\$ 21,585,644	\$ 9,371,823
Cash and Cash Equivalents (Externally Restricted)	296,632	7,822	620,167	113,464
Short-term Investments	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Accounts Receivable, net				
Federal Financial Assistance	2,093,841	582,736	694,018	1,592,834
Affiliated Organizations	282,072	253,021	532,922	75,028
Component Units	—	—	—	—
Other	3,851,816	1,600,278	6,486,236	1,099,740
Notes Receivable, net	—	—	—	—
Inventories	966	28,743	—	12,471
Prepaid Items	54,872	119,231	406,212	108,169
Other Assets	—	—	—	—
<b>Total Current Assets</b>	<b>16,014,684</b>	<b>7,456,320</b>	<b>30,325,199</b>	<b>12,373,529</b>
<b>Non-Current Assets</b>				
Accounts Receivable, net				
Affiliated Organizations	1,655,106	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	578,205	77,550	259,144	46,314
Investments	—	—	2,225,004	—
Notes Receivable, net	6,188	—	685,214	—
Non-current Cash (Externally Restricted)	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	—	158,096	3,277,155	—
Capital Assets, net	122,599,649	65,205,415	117,129,381	55,169,914
<b>Total Non-Current Assets</b>	<b>124,839,148</b>	<b>65,441,061</b>	<b>123,575,898</b>	<b>55,216,228</b>
<b>TOTAL ASSETS</b>	<b>140,853,832</b>	<b>72,897,381</b>	<b>153,901,097</b>	<b>67,589,757</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,051,338</b>	<b>\$ 6,219,752</b>	<b>\$ 19,248,386</b>	<b>\$ 7,365,775</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Clayton State University	College of Coastal Georgia	Columbus State University	Dalton State College
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,947,994	\$ 867,587	\$ 3,059,261	\$ 1,470,823
Salaries Payable	275,808	190,008	410,375	141,281
Benefits Payable	141,557	61,246	197,031	152,273
Contracts Payable	89,300	—	358,406	—
Retainage Payable	—	155,332	51,008	21,179
Interest Payable (Added for SAO)	—	—	—	—
Due to Affiliated Organizations	—	49	—	—
Due to Component Units	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—
Advances (Including Tuition and Fees)	2,147,688	860,314	5,072,366	650,387
Deposits	110,565	14,782	150	27,647
Deposits Held for Other Organizations	173,430	308,524	2,746,722	184,435
Other Liabilities	10,392	—	14,370	—
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	—	286,046	198,316	—
Lease Purchase Obligations - Component Units	2,155,409	—	1,549,962	141,919
Pollution Remediation	—	—	—	—
Claims and Judgments	—	—	—	—
Compensated Absences	1,610,801	484,775	1,850,950	588,195
<b>Total Current Liabilities</b>	<b>8,662,944</b>	<b>3,228,663</b>	<b>15,508,917</b>	<b>3,378,139</b>
<b>Non-Current Liabilities</b>				
Advances (Including Tuition and Fees)	—	—	—	—
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	—	10,742,447	204,517	—
Lease Purchase Obligations - Component Units	63,621,407	—	36,841,784	5,694,513
Claims and Judgments	—	—	—	—
Compensated Absences	533,025	256,455	1,132,962	225,729
Net Other Post Employment Benefits Liability	54,191,106	22,305,918	73,345,057	33,216,970
Net Pension Liability	31,178,526	12,031,905	44,870,520	16,804,350
<b>Total Non-Current Liabilities</b>	<b>149,524,064</b>	<b>45,336,725</b>	<b>156,394,840</b>	<b>55,941,562</b>
<b>TOTAL LIABILITIES</b>	<b>158,187,008</b>	<b>48,565,388</b>	<b>171,903,757</b>	<b>59,319,701</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 18,678,202</b>	<b>\$ 3,046,141</b>	<b>\$ 13,629,171</b>	<b>\$ 5,988,163</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Clayton State University	College of Coastal Georgia	Columbus State University	Dalton State College
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 47,397,517	\$ 54,021,590	\$ 75,675,118	\$ 48,766,618
Restricted for:				
Nonexpendable	1,650,680	68,879	2,175,517	—
Expendable	8,837	97,039	4,069,428	30,904
Capital Projects	—	—	—	—
Higher Education	—	—	—	—
Endowment	—	—	—	—
Unrestricted (Deficit)	(72,017,074)	(26,681,904)	(94,303,508)	(39,149,854)
<b>TOTAL NET POSITION</b>	<u>\$ (22,960,040)</u>	<u>\$ 27,505,604</u>	<u>\$ (12,383,445)</u>	<u>\$ 9,647,668</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	East Georgia State College	Fort Valley State University	Georgia College & State University	Georgia Gwinnett College
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 3,001,207	\$ 6,615,869	\$ 22,616,765	\$ 41,067,807
Cash and Cash Equivalents (Externally Restricted)	80,009	2,058,646	764,783	558,792
Short-term Investments	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Accounts Receivable, net				
Federal Financial Assistance	1,469,930	3,883,520	394,768	131,885
Affiliated Organizations	8,949	760,860	9,113	—
Component Units	—	—	896,193	123,920
Other	1,522,717	2,231,846	4,128,861	671,344
Notes Receivable, net	—	—	—	—
Inventories	14,187	—	283,097	—
Prepaid Items	6,054	153,508	867,733	806,997
Other Assets	—	—	—	—
<b>Total Current Assets</b>	<b>6,103,053</b>	<b>15,704,249</b>	<b>29,961,313</b>	<b>43,360,745</b>
<b>Non-Current Assets</b>				
Accounts Receivable, net				
Affiliated Organizations	—	—	—	—
Component Units	—	—	1,638,638	—
Due From USO - Capital Liability Reserve Fund	—	650,273	1,081,968	1,044,941
Investments	—	76,119	3,361,521	—
Notes Receivable, net	—	909,981	2,300	—
Non-current Cash (Externally Restricted)	—	—	129,685	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	47,750	—	5,059,015	—
Capital Assets, net	26,895,718	140,381,059	179,928,578	240,490,300
<b>Total Non-Current Assets</b>	<b>26,943,468</b>	<b>142,017,432</b>	<b>191,201,705</b>	<b>241,535,241</b>
<b>TOTAL ASSETS</b>	<b>33,046,521</b>	<b>157,721,681</b>	<b>221,163,018</b>	<b>284,895,986</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,982,295</b>	<b>\$ 14,458,930</b>	<b>\$ 23,834,921</b>	<b>\$ 45,638,112</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	East Georgia State College	Fort Valley State University	Georgia College & State University	Georgia Gwinnett College
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 347,501	\$ 2,435,084	\$ 3,935,469	\$ 2,651,634
Salaries Payable	140,449	167,269	415,865	558,359
Benefits Payable	52,741	73,260	217,242	735,969
Contracts Payable	286,048	352,724	1,273,106	80,077
Retainage Payable	126,456	171,114	133,609	67,177
Interest Payable (Added for SAO)	—	—	—	—
Due to Affiliated Organizations	—	—	—	—
Due to Component Units	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	321,895	—	—
Advances (Including Tuition and Fees)	422,846	1,415,962	2,427,155	2,228,807
Deposits	200	399	325,775	86,456
Deposits Held for Other Organizations	34,082	198,547	576,261	345,265
Other Liabilities	—	299,789	744,442	80,237
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	1,173	—	826,255	1,209,762
Lease Purchase Obligations - Component Units	—	2,212,175	2,775,116	5,030,738
Pollution Remediation	—	—	—	—
Claims and Judgments	—	—	—	—
Compensated Absences	365,003	1,503,042	2,375,681	1,430,469
<b>Total Current Liabilities</b>	<b>1,776,499</b>	<b>9,151,260</b>	<b>16,025,976</b>	<b>14,504,950</b>
<b>Non-Current Liabilities</b>				
Advances (Including Tuition and Fees)	—	—	—	—
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	—	—	32,698,969	3,320,909
Lease Purchase Obligations - Component Units	—	72,582,310	79,555,537	156,335,071
Claims and Judgments	—	—	—	—
Compensated Absences	209,658	755,214	657,703	608,945
Net Other Post Employment Benefits Liability	18,477,430	45,079,332	86,791,055	65,309,815
Net Pension Liability	10,952,592	30,919,888	53,553,707	45,575,123
<b>Total Non-Current Liabilities</b>	<b>29,639,680</b>	<b>149,336,744</b>	<b>253,256,971</b>	<b>271,149,863</b>
<b>TOTAL LIABILITIES</b>	<b>31,416,179</b>	<b>158,488,004</b>	<b>269,282,947</b>	<b>285,654,813</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 2,773,399</b>	<b>\$ 12,264,060</b>	<b>\$ 15,428,962</b>	<b>\$ 10,483,433</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	East Georgia State College	Fort Valley State University	Georgia College & State University	Georgia Gwinnett College
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 26,500,526	\$ 61,976,126	\$ 63,902,975	\$ 93,540,347
Restricted for:				
Nonexpendable	37,100	—	4,300,845	—
Expendable	34,841	2,845,753	1,968,602	558,792
Capital Projects	—	—	—	—
Higher Education	—	—	—	—
Endowment	—	—	—	—
Unrestricted (Deficit)	(22,733,229)	(63,393,332)	(109,886,392)	(59,703,287)
<b>TOTAL NET POSITION</b>	<u>\$ 3,839,238</u>	<u>\$ 1,428,547</u>	<u>\$ (39,713,970)</u>	<u>\$ 34,395,852</u>



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Highlands College	Georgia Institute of Technology	Georgia Southern University	Georgia Southwestern University
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 6,420,537	\$ 240,546,075	\$ 62,624,000	\$ 5,456,099
Cash and Cash Equivalents (Externally Restricted)	—	117,379,237	1,371,816	2,565,961
Short-term Investments	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	510,849
Accounts Receivable, net				
Federal Financial Assistance	437,611	9,596,424	12,710,905	56,191
Affiliated Organizations	—	3,281,152	3,214,628	241,292
Component Units	—	108,842,386	418,164	—
Other	980,248	30,372,125	8,181,178	1,580,905
Notes Receivable, net	—	—	—	—
Inventories	—	1,628,039	3,555,939	586,750
Prepaid Items	57,636	31,005,881	1,765,889	273,219
Other Assets	—	—	—	—
<b>Total Current Assets</b>	<b>7,896,032</b>	<b>542,651,319</b>	<b>93,842,519</b>	<b>11,271,266</b>
<b>Non-Current Assets</b>				
Accounts Receivable, net				
Affiliated Organizations	—	—	—	—
Component Units	—	—	1,991,400	—
Due From USO - Capital Liability Reserve Fund	115,505	2,275,907	1,970,305	267,598
Investments	—	—	4,530,717	328,403
Notes Receivable, net	—	11,531,068	1,479,111	118,999
Non-current Cash (Externally Restricted)	—	322,981	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	42,039	85,062,189	5,830,035	—
Capital Assets, net	68,091,406	2,036,562,119	668,499,857	78,612,844
<b>Total Non-Current Assets</b>	<b>68,248,950</b>	<b>2,135,754,264</b>	<b>684,301,425</b>	<b>79,327,844</b>
<b>TOTAL ASSETS</b>	<b>76,144,982</b>	<b>2,678,405,583</b>	<b>778,143,944</b>	<b>90,599,110</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 8,308,402</b>	<b>\$ 201,927,835</b>	<b>\$ 63,529,508</b>	<b>\$ 7,785,151</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Highlands College	Georgia Institute of Technology	Georgia Southern University	Georgia Southwestern University
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 661,738	\$ 80,217,044	\$ 11,796,433	\$ 963,333
Salaries Payable	103,964	3,724,354	2,001,596	347,943
Benefits Payable	81,837	979,058	785,594	83,575
Contracts Payable	—	1,912,434	1,081,075	—
Retainage Payable	—	2,361,674	285,177	52,785
Interest Payable (Added for SAO)	—	—	—	—
Due to Affiliated Organizations	—	—	1,774,228	10,223
Due to Component Units	—	3,413,396	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—
Advances (Including Tuition and Fees)	1,312,795	24,420,946	9,631,132	3,137,460
Deposits	—	8,218,586	384,228	19,908
Deposits Held for Other Organizations	378,870	1,714,128	1,116,225	81,313
Other Liabilities	61,598	361,123	50,745	—
Notes and Loans Payable	—	1,141,335	154,441	—
Lease Purchase Obligations - External	395,812	4,020,924	881,722	1,192,093
Lease Purchase Obligations - Component Units	—	18,497,442	9,322,364	—
Pollution Remediation	—	533,941	—	—
Claims and Judgments	—	—	—	—
Compensated Absences	681,464	39,994,923	6,521,908	610,467
<b>Total Current Liabilities</b>	<b>3,678,078</b>	<b>191,511,308</b>	<b>45,786,868</b>	<b>6,499,100</b>
<b>Non-Current Liabilities</b>				
Advances (Including Tuition and Fees)	—	11,465,159	—	—
Notes and Loans Payable	—	10,542,401	808,723	—
Lease Purchase Obligations - External	14,942,048	74,063,527	20,080,970	32,316,619
Lease Purchase Obligations - Component Units	—	368,682,753	203,795,245	—
Claims and Judgments	—	—	—	—
Compensated Absences	497,891	13,839,279	2,578,483	395,923
Net Other Post Employment Benefits Liability	29,638,836	659,849,732	279,294,803	31,145,813
Net Pension Liability	19,560,082	450,998,415	143,384,594	13,469,592
<b>Total Non-Current Liabilities</b>	<b>64,638,857</b>	<b>1,589,441,266</b>	<b>649,942,818</b>	<b>77,327,947</b>
<b>TOTAL LIABILITIES</b>	<b>68,316,935</b>	<b>1,780,952,574</b>	<b>695,729,686</b>	<b>83,827,047</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 5,437,567</b>	<b>\$ 87,570,926</b>	<b>\$ 52,321,025</b>	<b>\$ 6,210,564</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Highlands College	Georgia Institute of Technology	Georgia Southern University	Georgia Southwestern University
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 52,753,546	\$ 1,551,459,418	\$ 425,378,436	\$ 44,000,286
Restricted for:				
Nonexpendable	42,041	70,991,897	6,222,432	510,849
Expendable	41,776	30,214,850	5,693,258	488,984
Capital Projects	—	—	—	—
Higher Education	—	—	—	—
Endowment	—	—	—	—
Unrestricted (Deficit)	(42,138,481)	(640,856,247)	(343,671,385)	(36,653,469)
<b>TOTAL NET POSITION</b>	<u>\$ 10,698,882</u>	<u>\$ 1,011,809,918</u>	<u>\$ 93,622,741</u>	<u>\$ 8,346,650</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Georgia State University	Gordon State College	Kennesaw State University	Middle Georgia State University
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 240,904,237	\$ 9,519,879	\$ 121,665,427	\$ 10,342,397
Cash and Cash Equivalents (Externally Restricted)	9,606,890	6,359	233,376	—
Short-term Investments	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Accounts Receivable, net				
Federal Financial Assistance	3,207,929	582,923	4,444,530	186,352
Affiliated Organizations	—	25,425	3,118,402	315,361
Component Units	18,756,356	—	1,324,742	26,082
Other	38,359,553	1,145,321	12,970,298	2,874,437
Notes Receivable, net	—	—	—	—
Inventories	156,926	232,576	3,821,619	818,760
Prepaid Items	5,916,304	109,688	6,046,813	280,503
Other Assets	—	—	—	—
<b>Total Current Assets</b>	<b>316,908,195</b>	<b>11,622,171</b>	<b>153,625,207</b>	<b>14,843,892</b>
<b>Non-Current Assets</b>				
Accounts Receivable, net				
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	1,414,211	355,150	2,052,325	715,528
Investments	—	—	238,349	2,021,200
Notes Receivable, net	3,619,451	—	518,800	—
Non-current Cash (Externally Restricted)	794,513	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	128,548	—	4,909,576	76,566
Capital Assets, net	977,227,958	80,427,314	631,788,608	209,562,157
<b>Total Non-Current Assets</b>	<b>983,184,681</b>	<b>80,782,464</b>	<b>639,507,658</b>	<b>212,375,451</b>
<b>TOTAL ASSETS</b>	<b>1,300,092,876</b>	<b>92,404,635</b>	<b>793,132,865</b>	<b>227,219,343</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 120,246,742</b>	<b>\$ 6,158,900</b>	<b>\$ 96,989,218</b>	<b>\$ 15,521,417</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Georgia State University	Gordon State College	Kennesaw State University	Middle Georgia State University
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 20,423,087	\$ 464,702	\$ 14,184,015	\$ 374,900
Salaries Payable	3,415,747	152,923	1,520,429	416,382
Benefits Payable	7,550,718	77,503	709,815	82,227
Contracts Payable	2,806,748	—	952,089	—
Retainage Payable	1,084,775	73,146	650,892	—
Interest Payable (Added for SAO)	—	—	—	—
Due to Affiliated Organizations	515,194	—	128,759	—
Due to Component Units	4,004,456	—	136,670	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—
Advances (Including Tuition and Fees)	30,014,423	409,661	19,250,220	2,175,733
Deposits	183,050	95,486	31,919	1,192,192
Deposits Held for Other Organizations	2,666,153	362,947	237,800	263,834
Other Liabilities	653,329	18,370	306,852	—
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	2,398,020	—	1,465,556	—
Lease Purchase Obligations - Component Units	6,025,901	1,399,808	8,443,863	2,691,904
Pollution Remediation	—	—	—	—
Claims and Judgments	—	—	—	—
Compensated Absences	13,831,617	582,961	9,022,120	1,534,766
<b>Total Current Liabilities</b>	<b>95,573,218</b>	<b>3,637,507</b>	<b>57,040,999</b>	<b>8,731,938</b>
<b>Non-Current Liabilities</b>				
Advances (Including Tuition and Fees)	—	—	—	—
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	30,938,539	—	48,709,736	—
Lease Purchase Obligations - Component Units	181,720,775	35,979,606	211,334,301	81,489,542
Claims and Judgments	—	—	—	—
Compensated Absences	7,368,452	227,459	2,741,211	778,950
Net Other Post Employment Benefits Liability	450,999,520	22,558,786	264,487,602	62,460,249
Net Pension Liability	308,168,881	17,019,245	182,256,802	39,410,169
<b>Total Non-Current Liabilities</b>	<b>979,196,167</b>	<b>75,785,096</b>	<b>709,529,652</b>	<b>184,138,910</b>
<b>TOTAL LIABILITIES</b>	<b>1,074,769,385</b>	<b>79,422,603</b>	<b>766,570,651</b>	<b>192,870,848</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 101,875,539</b>	<b>\$ 5,874,548</b>	<b>\$ 94,521,227</b>	<b>\$ 15,511,847</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Georgia State University	Gordon State College	Kennesaw State University	Middle Georgia State University
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 738,371,635	\$ 41,236,501	\$ 301,726,082	\$ 120,013,969
Restricted for:				
Nonexpendable	115,461	—	4,830,599	31,027
Expendable	25,026,661	52	1,833,328	45,539
Capital Projects	—	—	—	—
Higher Education	—	—	—	—
Endowment	—	—	—	—
Unrestricted (Deficit)	(519,819,063)	(27,970,169)	(279,359,804)	(85,732,470)
<b>TOTAL NET POSITION</b>	<u>\$ 243,694,694</u>	<u>\$ 13,266,384</u>	<u>\$ 29,030,205</u>	<u>\$ 34,358,065</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Savannah State University	South Georgia State College	University of Georgia	University of North Georgia
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 1,879,067	\$ 5,489,160	\$ 194,687,412	\$ 43,553,121
Cash and Cash Equivalents (Externally Restricted)	1,246,878	76,816	96,117,958	1,054,403
Short-term Investments	—	—	14,208,086	1,971,785
Short-term Investments (Externally Restricted)	—	—	8,342	—
Accounts Receivable, net				
Federal Financial Assistance	2,101,570	39,738	15,622,161	699,314
Affiliated Organizations	—	123,559	—	284,266
Component Units	—	—	70,027,639	—
Other	3,136,826	1,345,972	45,927,898	8,621,362
Notes Receivable, net	—	—	—	—
Inventories	66,876	232,007	5,996,659	2,063,734
Prepaid Items	68,292	380,706	6,524,095	33,678
Other Assets	—	—	—	—
<b>Total Current Assets</b>	<b>8,499,509</b>	<b>7,687,958</b>	<b>449,120,250</b>	<b>58,281,663</b>
<b>Non-Current Assets</b>				
Accounts Receivable, net				
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	844,039	266,644	1,552,532	823,048
Investments	—	80,776	107,682,951	5,246,895
Notes Receivable, net	694,030	49,273	7,441,891	1,217,323
Non-current Cash (Externally Restricted)	134,495	—	—	1,072,346
Short-term Investments (Externally Restricted)	34,175	—	—	—
Investments (Externally Restricted)	8,885,490	439,260	99,332,730	1,637,479
Capital Assets, net	151,596,748	47,599,381	1,924,322,522	280,363,930
<b>Total Non-Current Assets</b>	<b>162,188,977</b>	<b>48,435,334</b>	<b>2,140,332,626</b>	<b>290,361,021</b>
<b>TOTAL ASSETS</b>	<b>170,688,486</b>	<b>56,123,292</b>	<b>2,589,452,876</b>	<b>348,642,684</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,481,736</b>	<b>\$ 5,477,765</b>	<b>\$ 277,119,185</b>	<b>\$ 64,212,373</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Savannah State University	South Georgia State College	University of Georgia	University of North Georgia
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,892,581	\$ 423,320	\$ 29,048,706	\$ 2,156,868
Salaries Payable	271,158	119,969	9,585,778	674,176
Benefits Payable	97,648	36,286	2,935,170	451,163
Contracts Payable	—	30,670	7,795,923	—
Retainage Payable	—	67,280	2,906,871	54,170
Interest Payable (Added for SAO)	—	—	—	—
Due to Affiliated Organizations	—	—	—	95
Due to Component Units	—	—	909,129	—
Due to USO - Capital Liability Reserve Fund	—	199,983	—	—
Advances (Including Tuition and Fees)	2,923,630	484,363	53,227,300	8,178,131
Deposits	—	45,944	1,437,683	1,001,208
Deposits Held for Other Organizations	3,594,440	57,575	2,701,589	3,293,557
Other Liabilities	2,287	—	948,883	1,067
Notes and Loans Payable	—	—	—	—
Lease Purchase Obligations - External	2,803,066	—	301,054	—
Lease Purchase Obligations - Component Units	—	1,032,220	8,533,296	4,262,161
Pollution Remediation	174,500	—	438,000	—
Claims and Judgments	—	—	—	—
Compensated Absences	1,172,626	375,683	34,590,510	3,116,845
<b>Total Current Liabilities</b>	<b>12,931,936</b>	<b>2,873,293</b>	<b>155,359,892</b>	<b>23,189,441</b>
<b>Non-Current Liabilities</b>				
Advances (Including Tuition and Fees)	—	—	—	—
Notes and Loans Payable	—	—	1,077,201	—
Lease Purchase Obligations - External	89,759,992	—	36,084	—
Lease Purchase Obligations - Component Units	—	33,246,253	223,082,950	127,831,693
Claims and Judgments	—	—	—	—
Compensated Absences	652,895	184,862	15,429,489	2,202,884
Net Other Post Employment Benefits Liability	49,939,053	18,365,044	1,060,918,096	141,691,189
Net Pension Liability	34,730,881	10,163,362	687,086,041	99,420,366
<b>Total Non-Current Liabilities</b>	<b>175,082,821</b>	<b>61,959,521</b>	<b>1,987,629,861</b>	<b>371,146,132</b>
<b>TOTAL LIABILITIES</b>	<b>188,014,757</b>	<b>64,832,814</b>	<b>2,142,989,753</b>	<b>394,335,573</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 11,807,030</b>	<b>\$ 3,904,193</b>	<b>\$ 151,210,375</b>	<b>\$ 20,876,296</b>



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Savannah State University	South Georgia State College	University of Georgia	University of North Georgia
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 55,373,263	\$ 14,398,342	\$ 1,681,666,344	\$ 152,556,827
Restricted for:				
Nonexpendable	9,054,161	311,490	64,898,053	2,907,795
Expendable	879,809	248,458	138,002,868	2,866,561
Capital Projects	—	—	—	—
Higher Education	—	—	—	—
Endowment	—	—	—	—
Unrestricted (Deficit)	(80,958,798)	(22,094,240)	(1,312,195,332)	(160,687,995)
<b>TOTAL NET POSITION</b>	<u>\$ (15,651,565)</u>	<u>\$ (7,135,950)</u>	<u>\$ 572,371,933</u>	<u>\$ (2,356,812)</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	University of West Georgia	Valdosta State University	University System Office
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 53,389,532	\$ 36,750,796	\$ 757,199,040
Cash and Cash Equivalents (Externally Restricted)	1,451,976	292,090	4,141,940
Short-term Investments	—	—	315,240,693
Short-term Investments (Externally Restricted)	—	—	—
Accounts Receivable, net			
Federal Financial Assistance	981,843	8,535,693	356,751
Affiliated Organizations	30,685	208,826	36,093
Component Units	—	—	—
Other	7,002,050	2,468,553	123,308,404
Notes Receivable, net	—	—	154,441
Inventories	1,308,297	28,442	184,831
Prepaid Items	2,095,865	148,560	941,079
Other Assets	—	—	2,736,541
<b>Total Current Assets</b>	<b>66,260,248</b>	<b>48,432,960</b>	<b>1,204,299,813</b>
<b>Non-Current Assets</b>			
Accounts Receivable, net			
Affiliated Organizations	—	—	—
Component Units	—	—	—
Due From USO - Capital Liability Reserve Fund	1,357,248	1,252,123	—
Investments	—	—	—
Notes Receivable, net	3,071,346	45,590	808,723
Non-current Cash (Externally Restricted)	847,665	32,454	—
Short-term Investments (Externally Restricted)	—	—	—
Investments (Externally Restricted)	—	9,042,897	10,704,319
Capital Assets, net	310,309,906	289,974,863	483,464,714
<b>Total Non-Current Assets</b>	<b>315,586,165</b>	<b>300,347,927</b>	<b>494,977,756</b>
<b>TOTAL ASSETS</b>	<b>381,846,413</b>	<b>348,780,887</b>	<b>1,699,277,569</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 54,512,886</b>	<b>\$ 25,822,287</b>	<b>\$ 22,066,049</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	University of West Georgia	Valdosta State University	University System Office
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 6,266,918	\$ 3,281,241	\$ 14,467,937
Salaries Payable	729,393	618,642	232,841
Benefits Payable	1,180,025	888,638	45,261,821
Contracts Payable	1,963,639	—	—
Retainage Payable	206,377	83,581	105,001
Interest Payable (Added for SAO)	—	—	—
Due to Affiliated Organizations	—	—	—
Due to Component Units	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—
Advances (Including Tuition and Fees)	4,802,392	5,739,674	1,296,536
Deposits	—	425,934	—
Deposits Held for Other Organizations	158,674	126,699	897,544,485
Other Liabilities	63,459	4,809	50,802
Notes and Loans Payable	—	—	—
Lease Purchase Obligations - External	2,202,549	616,437	2,570,226
Lease Purchase Obligations - Component Units	2,887,973	5,462,576	—
Pollution Remediation	—	—	—
Claims and Judgments	—	—	—
Compensated Absences	3,259,517	2,503,832	3,089,948
<b>Total Current Liabilities</b>	<b>23,720,916</b>	<b>19,752,063</b>	<b>964,619,597</b>
<b>Non-Current Liabilities</b>			
Advances (Including Tuition and Fees)	—	—	—
Notes and Loans Payable	—	—	—
Lease Purchase Obligations - External	44,564,356	3,867,477	34,379,152
Lease Purchase Obligations - Component Units	111,292,377	157,614,066	—
Claims and Judgments	—	—	—
Compensated Absences	1,555,843	1,440,222	1,731,784
Net Other Post Employment Benefits Liability	137,060,871	109,680,913	47,159,971
Net Pension Liability	84,206,672	55,999,195	53,288,034
<b>Total Non-Current Liabilities</b>	<b>378,680,119</b>	<b>328,601,873</b>	<b>136,558,941</b>
<b>TOTAL LIABILITIES</b>	<b>402,401,035</b>	<b>348,353,936</b>	<b>1,101,178,538</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 21,364,743</b>	<b>\$ 27,285,640</b>	<b>\$ 506,448,271</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	University of West Georgia	Valdosta State University	University System Office
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 147,037,820	\$ 120,578,820	\$ 279,314,485
Restricted for:			
Nonexpendable	—	4,698,109	3,612,043
Expendable	4,761,152	4,391,706	12,377,198
Capital Projects	—	—	—
Higher Education	—	—	—
Endowment	—	—	—
Unrestricted (Deficit)	(139,205,451)	(130,705,037)	(181,586,917)
<b>TOTAL NET POSITION</b>	<u>\$ 12,593,521</u>	<u>\$ (1,036,402)</u>	<u>\$ 113,716,809</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,940,566,438	\$ (555,284,127)	\$ 1,385,282,311
Cash and Cash Equivalents (Externally Restricted)	262,314,825	—	262,314,825
Short-term Investments	332,539,630	(259,972,369)	72,567,261
Short-term Investments (Externally Restricted)	519,191	—	519,191
Accounts Receivable, net			
Federal Financial Assistance	83,229,010	—	83,229,010
Affiliated Organizations	13,390,148	—	13,390,148
Component Units	271,862,640	—	271,862,640
Other	335,566,297	(45,686,902)	289,879,395
Notes Receivable, net	154,441	(154,441)	—
Inventories	22,140,409	—	22,140,409
Prepaid Items	64,764,430	—	64,764,430
Other Assets	2,736,541	2,501,455	5,237,996
<b>Total Current Assets</b>	<b>3,329,784,000</b>	<b>(858,596,384)</b>	<b>2,471,187,616</b>
<b>Non-Current Assets</b>			
Accounts Receivable, net			
Affiliated Organizations	1,655,106	—	1,655,106
Component Units	3,630,038	—	3,630,038
Due From USO - Capital Liability Reserve Fund	20,069,298	(20,069,298)	—
Investments	197,694,631	—	197,694,631
Notes Receivable, net	34,411,153	(808,723)	33,602,430
Non-current Cash (Externally Restricted)	3,335,727	—	3,335,727
Short-term Investments (Externally Restricted)	34,175	—	34,175
Investments (Externally Restricted)	249,941,368	—	249,941,368
Capital Assets, net	10,180,886,037	—	10,180,886,037
<b>Total Non-Current Assets</b>	<b>10,691,657,533</b>	<b>(20,878,021)</b>	<b>10,670,779,512</b>
<b>TOTAL ASSETS</b>	<b>14,021,441,533</b>	<b>(879,474,405)</b>	<b>13,141,967,128</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,283,882,313</b>	<b>\$ (41,235,260)</b>	<b>\$ 1,242,647,053</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 232,719,539	\$ (25,892,752)	\$ 206,826,787
Salaries Payable	29,919,849	—	29,919,849
Benefits Payable	66,619,282	(21,604,699)	45,014,583
Contracts Payable	20,287,350	—	20,287,350
Retainage Payable	9,084,566	—	9,084,566
Interest Payable (Added for SAO)	—	2,332,424	2,332,424
Due to Affiliated Organizations	3,153,269	—	3,153,269
Due to Component Units	14,228,427	—	14,228,427
Due to USO - Capital Liability Reserve Fund	521,878	(521,878)	—
Advances (Including Tuition and Fees)	219,528,317	—	219,528,317
Deposits	14,060,518	—	14,060,518
Deposits Held for Other Organizations	922,850,478	(835,325,791)	87,524,687
Other Liabilities	3,672,554	(4)	3,672,550
Notes and Loans Payable	1,295,776	(154,441)	1,141,335
Lease Purchase Obligations - External	27,524,892	(7,272,372)	20,252,520
Lease Purchase Obligations - Component Units	84,844,063	7,272,372	92,116,435
Pollution Remediation	1,146,441	—	1,146,441
Claims and Judgments	2,378,631	—	2,378,631
Compensated Absences	156,613,255	—	156,613,255
Total Current Liabilities	<u>1,810,449,085</u>	<u>(881,167,141)</u>	<u>929,281,944</u>
<b>Non-Current Liabilities</b>			
Advances (Including Tuition and Fees)	11,465,159	—	11,465,159
Notes and Loans Payable	12,428,325	(808,723)	11,619,602
Lease Purchase Obligations - External	548,226,431	(78,235,983)	469,990,448
Lease Purchase Obligations - Component Units	2,194,775,972	78,235,983	2,273,011,955
Claims and Judgments	3,485,065	—	3,485,065
Compensated Absences	74,790,244	—	74,790,244
Net Other Post Employment Benefits Liability	4,410,751,100	(1)	4,410,751,099
Net Pension Liability	2,889,134,981	2	2,889,134,983
Total Non-Current Liabilities	<u>10,145,057,277</u>	<u>(808,722)</u>	<u>10,144,248,555</u>
<b>TOTAL LIABILITIES</b>	<u>11,955,506,362</u>	<u>(881,975,863)</u>	<u>11,073,530,499</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 1,317,864,024</u>	<u>\$ (40,719,744)</u>	<u>\$ 1,277,144,280</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)**  
**JUNE 30, 2019**

	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 7,029,370,125	\$ —	\$ 7,029,370,125
Restricted for:			
Nonexpendable	181,015,931	—	181,015,931
Expendable	265,970,604	(265,970,604)	—
Capital Projects	—	13,076,407	13,076,407
Higher Education	—	197,970,739	197,970,739
Endowment	—	54,923,458	54,923,458
Unrestricted (Deficit)	(5,444,403,200)	1,985,942	(5,442,417,258)
<b>TOTAL NET POSITION</b>	<u>\$ 2,031,953,460</u>	<u>\$ 1,985,942</u>	<u>\$ 2,033,939,402</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Abraham Baldwin Agricultural College	Albany State University	Atlanta Metropolitan State College	Augusta University
<b>OPERATING REVENUES</b>				
Student Tuition and Fees (net)	\$ 11,937,157	\$ 17,293,430	\$ 3,517,585	\$ 95,205,676
Scholarship Allowance	—	—	—	—
Federal Appropriations	—	—	—	—
Grants and Contracts				
Federal	193,801	9,152,152	1,945,014	60,338,262
State	—	663,656	15,334	274,480,464
Other	—	845,637	87,990	219,384,167
Sales and Services	374,510	723,599	20,317	10,001,244
Rents and Royalties	128,430	—	165,660	680,793
Auxiliary Enterprises				
Residence Halls	2,344,042	12,312,076	—	3,917,708
Bookstore	2,560,676	268,111	129,242	1,587,382
Food Services	3,149,080	6,892,862	31,173	1,641,240
Parking/Transportation	267,661	331,991	—	4,989,041
Health Services	460,191	357,264	—	2,895,387
Intercollegiate Athletics	603,106	1,755,052	252,629	3,222,086
Other Organizations	533,149	496,780	5,575	4,159,617
Other Operating Revenues	502,660	1,869,703	310,657	228,585
Total Operating Revenues	23,054,463	52,962,313	6,481,176	682,731,652
<b>OPERATING EXPENSES</b>				
Faculty Salaries	9,942,735	16,997,755	3,732,034	220,307,975
Staff Salaries	12,967,273	23,659,494	7,308,196	240,076,828
Employee Benefits	9,774,990	14,138,210	4,514,693	168,969,651
Other Personal Services	301,772	545,059	97,949	584,001
Travel	485,364	634,478	99,778	4,469,868
Scholarships and Fellowships	6,748,691	8,641,935	3,454,740	9,279,106
Utilities	1,336,821	4,273,705	797,970	12,057,972
Supplies and Other Services	14,767,739	25,867,633	3,575,842	256,365,202
Depreciation	3,213,794	9,743,555	1,293,094	31,300,256
Total Operating Expenses	59,539,179	104,501,824	24,874,296	943,410,859
Operating Income (Loss)	\$ (36,484,716)	\$ (51,539,511)	\$ (18,393,120)	\$ (260,679,207)



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Abraham Baldwin Agricultural College	Albany State University	Atlanta Metropolitan State College	Augusta University
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	\$ 26,007,553	\$ 30,220,359	\$ 11,316,347	\$ 223,576,912
Grants and Contracts				
Federal	10,370,915	19,784,569	6,774,736	11,922,299
State	276,973	—	—	—
Other	806,192	—	—	4,233,894
Gifts	1,145,124	764,802	744,500	11,736,828
Investment Income	134,768	31,635	—	3,574,502
Interest Expense	(4,960)	(5,834,394)	(561,072)	(1,919,686)
Other Nonoperating Revenues (Expenses)	(149,629)	(5,446,557)	—	173,401
<b>Net Nonoperating Revenues</b>	<b>38,586,936</b>	<b>39,520,414</b>	<b>18,274,511</b>	<b>253,298,150</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>2,102,220</b>	<b>(12,019,097)</b>	<b>(118,609)</b>	<b>(7,381,057)</b>
Capital Grants and Gifts				
Federal	—	—	—	—
State	18,988,306	404,919	510,096	55,990,158
Other	—	—	—	—
Additions to Permanent and Term Endowments	—	—	—	—
Special Item	(45,909,203)	—	—	97,644,818
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>(26,920,897)</b>	<b>404,919</b>	<b>510,096</b>	<b>153,634,976</b>
<b>Change in Net Position</b>	<b>(24,818,677)</b>	<b>(11,614,178)</b>	<b>391,487</b>	<b>146,253,919</b>
<b>Net Position, Beginning of Year, Restated</b>	<b>31,133,267</b>	<b>3,361,872</b>	<b>1,223,534</b>	<b>(233,066,291)</b>
<b>Net Position, End of Year</b>	<b>\$ 6,314,590</b>	<b>\$ (8,252,306)</b>	<b>\$ 1,615,021</b>	<b>\$ (86,812,372)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Clayton State University	College of Coastal Georgia	Columbus State University	Dalton State College
<b>OPERATING REVENUES</b>				
Student Tuition and Fees (net)	\$ 25,867,204	\$ 7,134,088	\$ 42,891,412	\$ 9,582,447
Scholarship Allowance	—	—	—	—
Federal Appropriations	—	—	—	—
Grants and Contracts				
Federal	1,943,166	18,810	1,492,146	5,548
State	8,664	—	122,025	74,490
Other	307,538	—	124,221	1,360,025
Sales and Services	2,112,047	22,385	3,965,705	43,666
Rents and Royalties	12,461	1,750	43,924	—
Auxiliary Enterprises				
Residence Halls	7,259,242	998,781	4,392,609	362,348
Bookstore	2,915,131	308,575	365,015	268,611
Food Services	352,356	2,025,172	550,208	915,869
Parking/Transportation	528,790	—	1,537,026	609,051
Health Services	662,227	—	686,956	281,980
Intercollegiate Athletics	2,281,791	1,156,253	2,532,111	1,138,691
Other Organizations	339,384	1,010,163	333,997	444,706
Other Operating Revenues	978,340	139,530	1,003,140	579,673
<b>Total Operating Revenues</b>	<b>45,568,341</b>	<b>12,815,507</b>	<b>60,040,495</b>	<b>15,667,105</b>
<b>OPERATING EXPENSES</b>				
Faculty Salaries	20,778,462	8,761,267	26,344,707	11,382,787
Staff Salaries	21,816,143	9,242,430	30,986,652	9,046,758
Employee Benefits	15,590,679	6,747,286	22,468,002	8,762,648
Other Personal Services	441,747	159,603	305,824	239,273
Travel	449,666	259,568	977,236	288,323
Scholarships and Fellowships	9,365,280	3,051,573	10,278,372	5,598,693
Utilities	2,445,630	991,573	4,387,988	873,883
Supplies and Other Services	15,886,412	7,583,999	24,312,671	8,997,926
Depreciation	5,800,505	3,016,214	5,166,921	2,027,469
<b>Total Operating Expenses</b>	<b>92,574,524</b>	<b>39,813,513</b>	<b>125,228,373</b>	<b>47,217,760</b>
<b>Operating Income (Loss)</b>	<b>\$ (47,006,183)</b>	<b>\$ (26,998,006)</b>	<b>\$ (65,187,878)</b>	<b>\$ (31,550,655)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Clayton State University	College of Coastal Georgia	Columbus State University	Dalton State College
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	\$ 27,238,052	\$ 16,868,047	\$ 43,068,260	\$ 17,996,904
Grants and Contracts				
Federal	18,359,464	7,061,285	15,613,232	11,723,533
State	(1,804)	34,957	—	—
Other	819,888	1,050,716	4,477,646	—
Gifts	624,645	498,903	1,331,702	976,787
Investment Income	(87,056)	19,871	230,284	11,757
Interest Expense	(2,876,670)	(587,545)	(1,985,528)	(338,998)
Other Nonoperating Revenues (Expenses)	(123,167)	(751)	(5,116)	(5,195)
Net Nonoperating Revenues	43,953,352	24,945,483	62,730,480	30,364,788
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(3,052,831)	(2,052,523)	(2,457,398)	(1,185,867)
Capital Grants and Gifts				
Federal	—	—	—	—
State	1,036,309	1,835,189	13,664,602	8,552,884
Other	—	—	—	5,800
Additions to Permanent and Term Endowments	—	—	—	—
Special Item	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	1,036,309	1,835,189	13,664,602	8,558,684
Change in Net Position	(2,016,522)	(217,334)	11,207,204	7,372,817
Net Position, Beginning of Year, Restated	(20,943,518)	27,722,938	(23,590,649)	2,274,851
Net Position, End of Year	\$ (22,960,040)	\$ 27,505,604	\$ (12,383,445)	\$ 9,647,668

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	East Georgia State College	Fort Valley State University	Georgia College & State University	Georgia Gwinnett College
<b>OPERATING REVENUES</b>				
Student Tuition and Fees (net)	\$ 3,981,928	\$ 8,847,578	\$ 58,707,884	\$ 36,976,439
Scholarship Allowance	—	—	—	—
Federal Appropriations	—	6,990,623	—	—
Grants and Contracts				
Federal	56,238	510,450	320,564	390,260
State	199,676	67,292	770,408	232,966
Other	19,337	30,541	112,754	456,152
Sales and Services	11,799	439,541	2,815,248	288,580
Rents and Royalties	3,331	168,406	79,800	74,995
Auxiliary Enterprises				
Residence Halls	681,548	7,548,099	16,084,341	7,825,298
Bookstore	74,891	30,747	1,311,493	813,215
Food Services	1,201,341	4,863,917	7,840,409	479,298
Parking/Transportation	217,528	183,256	1,604,216	2,751,876
Health Services	62,268	373,181	—	666,840
Intercollegiate Athletics	565,547	1,438,544	2,384,731	4,053,778
Other Organizations	4,287	1,101,357	328,133	214,834
Other Operating Revenues	187,988	1,353,823	742,414	548,096
<b>Total Operating Revenues</b>	<b>7,267,707</b>	<b>33,947,355</b>	<b>93,102,395</b>	<b>55,772,627</b>
<b>OPERATING EXPENSES</b>				
Faculty Salaries	5,225,317	9,818,395	29,453,624	39,890,120
Staff Salaries	5,675,381	20,257,111	34,492,552	25,626,864
Employee Benefits	5,105,021	12,394,917	26,638,726	24,957,347
Other Personal Services	80,904	539,152	291,950	447,516
Travel	135,027	1,157,989	1,423,735	854,110
Scholarships and Fellowships	4,640,667	5,387,793	3,152,348	13,357,720
Utilities	607,264	4,329,763	3,481,512	2,543,481
Supplies and Other Services	4,331,424	22,694,196	31,737,312	23,897,212
Depreciation	885,333	6,724,537	9,937,270	8,708,899
<b>Total Operating Expenses</b>	<b>26,686,338</b>	<b>83,303,853</b>	<b>140,609,029</b>	<b>140,283,269</b>
<b>Operating Income (Loss)</b>	<b>\$ (19,418,631)</b>	<b>\$ (49,356,498)</b>	<b>\$ (47,506,634)</b>	<b>\$ (84,510,642)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	East Georgia State College	Fort Valley State University	Georgia College & State University	Georgia Gwinnett College
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	\$ 9,984,666	\$ 23,253,144	\$ 41,176,883	\$ 57,990,145
Grants and Contracts				
Federal	8,515,520	26,303,749	7,784,861	32,133,914
State	76,518	3,755	207,075	—
Other	334,442	1,512,401	1,735,074	116,473
Gifts	455,861	358,765	1,488,744	867,406
Investment Income	31,014	4,189	248,257	326,164
Interest Expense	(152)	(3,227,808)	(5,964,001)	(8,758,476)
Other Nonoperating Revenues (Expenses)	(48,982)	(561,835)	(47,525)	(779)
<b>Net Nonoperating Revenues</b>	<b>19,348,887</b>	<b>47,646,360</b>	<b>46,629,368</b>	<b>82,674,847</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(69,744)</b>	<b>(1,710,138)</b>	<b>(877,266)</b>	<b>(1,835,795)</b>
Capital Grants and Gifts				
Federal	—	2,132,462	—	—
State	1,115,265	803,409	1,400	13,198,518
Other	—	—	292,234	314,254
Additions to Permanent and Term Endowments	—	—	27,054	—
Special Item	—	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>1,115,265</b>	<b>2,935,871</b>	<b>320,688</b>	<b>13,512,772</b>
<b>Change in Net Position</b>	<b>1,045,521</b>	<b>1,225,733</b>	<b>(556,578)</b>	<b>11,676,977</b>
<b>Net Position, Beginning of Year, Restated</b>	<b>2,793,717</b>	<b>202,814</b>	<b>(39,157,392)</b>	<b>22,718,875</b>
<b>Net Position, End of Year</b>	<b>\$ 3,839,238</b>	<b>\$ 1,428,547</b>	<b>\$ (39,713,970)</b>	<b>\$ 34,395,852</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Georgia Highlands College	Georgia Institute of Technology	Georgia Southern University	Georgia Southwestern University
<b>OPERATING REVENUES</b>				
Student Tuition and Fees (net)	\$ 13,728,603	\$ 382,718,891	\$ 137,269,034	\$ 11,932,605
Scholarship Allowance	—	—	—	—
Federal Appropriations	—	—	—	—
Grants and Contracts				
Federal	366,364	662,701,509	5,095,553	497,843
State	237,334	14,385,091	497,397	225,443
Other	236,906	254,562,555	9,391,214	2,672,315
Sales and Services	350,776	69,950,445	4,483,681	176,524
Rents and Royalties	156,165	2,223,111	501,021	27,250
Auxiliary Enterprises				
Residence Halls	—	83,339,069	34,357,094	4,196,573
Bookstore	313,856	2,062,143	9,156,078	923,909
Food Services	—	3,931,174	24,576,443	2,570,922
Parking/Transportation	115,889	19,378,089	4,515,236	68,108
Health Services	—	12,097,914	4,317,893	359,335
Intercollegiate Athletics	1,199,050	—	18,498,322	1,063,627
Other Organizations	237,124	998,172	424,964	377,258
Other Operating Revenues	489,281	19,393,032	4,768,811	362,950
<b>Total Operating Revenues</b>	<b>17,431,348</b>	<b>1,527,741,195</b>	<b>257,852,741</b>	<b>25,454,662</b>
<b>OPERATING EXPENSES</b>				
Faculty Salaries	10,329,005	461,723,786	90,690,585	10,097,525
Staff Salaries	10,586,089	389,693,228	114,214,816	9,772,704
Employee Benefits	7,741,223	252,140,269	80,755,990	8,593,843
Other Personal Services	814	1,156,868	1,083,408	195,403
Travel	289,544	30,045,679	3,850,034	318,145
Scholarships and Fellowships	7,085,668	19,032,957	24,538,138	2,611,234
Utilities	1,552,442	28,867,138	14,928,026	1,949,321
Supplies and Other Services	11,393,844	482,033,106	102,444,999	11,134,258
Depreciation	1,987,460	109,097,163	36,579,928	3,435,311
<b>Total Operating Expenses</b>	<b>50,966,089</b>	<b>1,773,790,194</b>	<b>469,085,924</b>	<b>48,107,744</b>
<b>Operating Income (Loss)</b>	<b>\$ (33,534,741)</b>	<b>\$ (246,048,999)</b>	<b>\$ (211,233,183)</b>	<b>\$ (22,653,082)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Georgia Highlands College	Georgia Institute of Technology	Georgia Southern University	Georgia Southwestern University
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	\$ 19,873,431	\$ 318,443,910	\$ 139,749,943	\$ 15,415,263
Grants and Contracts				
Federal	11,141,164	12,624,220	44,049,762	5,190,852
State	—	(3,549)	—	—
Other	—	—	—	—
Gifts	1,497,953	2,561,674	9,613,153	798,883
Investment Income	3,209	29,256,800	952,056	153,503
Interest Expense	(885,505)	(23,406,264)	(10,605,820)	(1,289,743)
Other Nonoperating Revenues (Expenses)	(20,372)	(4,265,146)	(1,017,505)	—
<b>Net Nonoperating Revenues</b>	<b>31,609,880</b>	<b>335,211,645</b>	<b>182,741,589</b>	<b>20,268,758</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(1,924,861)</b>	<b>89,162,646</b>	<b>(28,491,594)</b>	<b>(2,384,324)</b>
Capital Grants and Gifts				
Federal	—	—	—	—
State	20,849,418	54,775,501	58,748,887	—
Other	—	1,686,177	498,003	130,000
Additions to Permanent and Term Endowments	—	410,400	—	—
Special Item	—	—	(2,958,080)	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>20,849,418</b>	<b>56,872,078</b>	<b>56,288,810</b>	<b>130,000</b>
<b>Change in Net Position</b>	<b>18,924,557</b>	<b>146,034,724</b>	<b>27,797,216</b>	<b>(2,254,324)</b>
<b>Net Position, Beginning of Year, Restated</b>	<b>(8,225,675)</b>	<b>865,775,194</b>	<b>65,825,525</b>	<b>10,600,974</b>
<b>Net Position, End of Year</b>	<b>\$ 10,698,882</b>	<b>\$ 1,011,809,918</b>	<b>\$ 93,622,741</b>	<b>\$ 8,346,650</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Georgia State University	Gordon State College	Kennesaw State University	Middle Georgia State University
<b>OPERATING REVENUES</b>				
Student Tuition and Fees (net)	\$ 316,096,804	\$ 5,368,417	\$ 199,255,851	\$ 24,376,268
Scholarship Allowance	—	—	—	—
Federal Appropriations	—	—	—	—
Grants and Contracts				
Federal	78,643,652	28,121	1,636,115	184,383
State	12,466,902	101,938	277,574	13,480
Other	68,310,727	25,334	11,425,110	2,500
Sales and Services	25,884,828	122,183	16,440,469	1,081,890
Rents and Royalties	245,199	67,450	1,013,430	379,481
Auxiliary Enterprises				
Residence Halls	17,902,126	4,865,057	17,390,212	9,162,022
Bookstore	1,563,174	1,656,690	10,785,306	2,599,579
Food Services	18,195,536	2,386,770	23,102,329	4,012,073
Parking/Transportation	9,693,191	66,729	10,635,925	445,272
Health Services	3,604,493	102,681	3,420,555	250,420
Intercollegiate Athletics	20,132,569	468,746	15,436,965	1,603,439
Other Organizations	6,963,458	68,063	8,625,320	711,703
Other Operating Revenues	1,297,311	127,093	1,591,174	1,088,270
<b>Total Operating Revenues</b>	<b>580,999,970</b>	<b>15,455,272</b>	<b>321,036,335</b>	<b>45,910,780</b>
<b>OPERATING EXPENSES</b>				
Faculty Salaries	205,842,439	8,901,928	122,585,671	22,965,521
Staff Salaries	251,425,994	7,047,063	118,714,416	20,015,325
Employee Benefits	147,891,489	6,391,812	93,368,772	16,712,631
Other Personal Services	3,136,530	135,857	1,797,877	186,946
Travel	7,218,208	163,044	3,583,924	591,439
Scholarships and Fellowships	72,786,300	2,855,170	32,766,885	8,798,959
Utilities	20,723,946	1,783,508	12,703,464	3,273,202
Supplies and Other Services	176,637,049	8,899,990	117,580,819	20,662,920
Depreciation	57,427,954	2,742,977	32,299,173	7,435,228
<b>Total Operating Expenses</b>	<b>943,089,909</b>	<b>38,921,349</b>	<b>535,401,001</b>	<b>100,642,171</b>
<b>Operating Income (Loss)</b>	<b>\$ (362,089,939)</b>	<b>\$ (23,466,077)</b>	<b>\$ (214,364,666)</b>	<b>\$ (54,731,391)</b>



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Georgia State University	Gordon State College	Kennesaw State University	Middle Georgia State University
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	\$ 277,537,291	\$ 13,016,042	\$ 149,071,503	\$ 35,187,661
Grants and Contracts				
Federal	111,991,591	8,706,154	61,797,126	17,452,480
State	—	—	97,779	940,900
Other	4,843,853	—	3,964,796	760,532
Gifts	11,409,950	365,052	5,268,745	2,008,707
Investment Income	6,073,995	192,131	1,923,691	291,498
Interest Expense	(12,427,572)	(1,420,001)	(13,920,960)	(3,441,055)
Other Nonoperating Revenues (Expenses)	(4,136,258)	(11,467)	(190,082)	195,485
<b>Net Nonoperating Revenues</b>	<b>395,292,850</b>	<b>20,847,911</b>	<b>208,012,598</b>	<b>53,396,208</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>33,202,911</b>	<b>(2,618,166)</b>	<b>(6,352,068)</b>	<b>(1,335,183)</b>
Capital Grants and Gifts				
Federal	—	—	—	—
State	9,420,498	2,640,733	3,914,093	391,860
Other	3,949,012	150,000	4,076,614	—
Additions to Permanent and Term Endowments	—	—	—	—
Special Item	—	—	1,034,390	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>13,369,510</b>	<b>2,790,733</b>	<b>9,025,097</b>	<b>391,860</b>
<b>Change in Net Position</b>	<b>46,572,421</b>	<b>172,567</b>	<b>2,673,029</b>	<b>(943,323)</b>
<b>Net Position, Beginning of Year, Restated</b>	<b>197,122,273</b>	<b>13,093,817</b>	<b>26,357,176</b>	<b>35,301,388</b>
<b>Net Position, End of Year</b>	<b>\$ 243,694,694</b>	<b>\$ 13,266,384</b>	<b>\$ 29,030,205</b>	<b>\$ 34,358,065</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Savannah State University	South Georgia State College	University of Georgia	University of North Georgia
<b>OPERATING REVENUES</b>				
Student Tuition and Fees (net)	\$ 11,863,094	\$ 3,577,687	\$ 463,556,210	\$ 78,851,780
Scholarship Allowance	—	—	—	—
Federal Appropriations	—	—	14,298,645	—
Grants and Contracts				
Federal	9,942,082	25,075	147,116,848	—
State	17,740	33,565	49,680,647	—
Other	451,212	—	88,282,374	—
Sales and Services	1,462,019	14,103	106,682,801	4,476,444
Rents and Royalties	45,765	9,860	1,205,715	223,652
Auxiliary Enterprises				
Residence Halls	12,475,059	1,955,784	57,951,336	11,287,413
Bookstore	180,964	786,081	4,577,553	5,396,357
Food Services	7,414,404	909,451	49,898,682	9,924,331
Parking/Transportation	780,433	4,706	22,167,432	5,642,312
Health Services	483,649	—	24,538,684	1,015,561
Intercollegiate Athletics	3,756,312	450,518	38,768,609	3,433,070
Other Organizations	79,322	81,189	13,444,998	130,560
Other Operating Revenues	480,445	300,952	11,926,229	3,264,356
<b>Total Operating Revenues</b>	<b>49,432,500</b>	<b>8,148,971</b>	<b>1,094,096,763</b>	<b>123,645,836</b>
<b>OPERATING EXPENSES</b>				
Faculty Salaries	14,803,445	4,930,095	318,363,494	55,356,568
Staff Salaries	19,210,396	5,300,273	508,200,251	54,169,750
Employee Benefits	14,531,339	4,058,804	315,074,666	49,715,612
Other Personal Services	352,398	244,564	2,126,329	619,018
Travel	579,148	268,414	22,267,521	2,039,002
Scholarships and Fellowships	6,266,745	3,333,825	44,951,050	15,601,841
Utilities	4,124,461	1,314,502	42,213,543	5,138,961
Supplies and Other Services	25,047,667	5,296,146	315,795,228	42,237,834
Depreciation	7,239,353	2,494,388	98,212,547	17,492,791
<b>Total Operating Expenses</b>	<b>92,154,952</b>	<b>27,241,011</b>	<b>1,667,204,629</b>	<b>242,371,377</b>
<b>Operating Income (Loss)</b>	<b>\$ (42,722,452)</b>	<b>\$ (19,092,040)</b>	<b>\$ (573,107,866)</b>	<b>\$ (118,725,541)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Savannah State University	South Georgia State College	University of Georgia	University of North Georgia
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	\$ 25,664,982	\$ 11,507,803	\$ 504,630,780	\$ 79,676,660
Grants and Contracts				
Federal	14,937,902	7,238,612	33,158,283	31,485,429
State	—	—	8,990,264	218,808
Other	—	40,474	40,578,367	3,888,445
Gifts	1,605,632	410,554	14,880,323	1,049,806
Investment Income	1,017,038	19,701	14,241,746	721,589
Interest Expense	(4,426,183)	(1,212,804)	(12,619,711)	(5,519,785)
Other Nonoperating Revenues (Expenses)	—	—	690,331	(51,181)
<b>Net Nonoperating Revenues</b>	<b>38,799,371</b>	<b>18,004,340</b>	<b>604,550,383</b>	<b>111,469,771</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>(3,923,081)</b>	<b>(1,087,700)</b>	<b>31,442,517</b>	<b>(7,255,770)</b>
Capital Grants and Gifts				
Federal	—	—	—	—
State	—	409,718	36,755,274	6,580,670
Other	—	—	3,876,193	229,167
Additions to Permanent and Term Endowments	—	—	853,758	—
Special Item	2,958,080	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>2,958,080</b>	<b>409,718</b>	<b>41,485,225</b>	<b>6,809,837</b>
<b>Change in Net Position</b>	<b>(965,001)</b>	<b>(677,982)</b>	<b>72,927,742</b>	<b>(445,933)</b>
<b>Net Position, Beginning of Year, Restated</b>	<b>(14,686,564)</b>	<b>(6,457,968)</b>	<b>499,444,191</b>	<b>(1,910,879)</b>
<b>Net Position, End of Year</b>	<b>\$ (15,651,565)</b>	<b>\$ (7,135,950)</b>	<b>\$ 572,371,933</b>	<b>\$ (2,356,812)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	University of West Georgia	Valdosta State University	University System Office
<b>OPERATING REVENUES</b>			
Student Tuition and Fees (net)	\$ 79,574,987	\$ 58,091,162	\$ 315,816
Scholarship Allowance	—	—	—
Federal Appropriations	—	—	—
Grants and Contracts			
Federal	1,461,406	1,463,134	180,500
State	447,901	66,008	48,698
Other	1,727,666	1,812,296	230,212
Sales and Services	685,321	1,095,966	56,890,055
Rents and Royalties	98,449	938,395	10,520
Auxiliary Enterprises			
Residence Halls	20,030,968	13,976,886	10,038,162
Bookstore	2,345,738	1,072,176	—
Food Services	11,970,011	9,876,492	—
Parking/Transportation	1,723,707	4,034,701	—
Health Services	2,261,263	2,884,967	—
Intercollegiate Athletics	6,945,404	3,218,567	—
Other Organizations	671,053	530,788	—
Other Operating Revenues	2,399,250	776,256	490,365,078
<b>Total Operating Revenues</b>	<b>132,343,124</b>	<b>99,837,794</b>	<b>558,079,041</b>
<b>OPERATING EXPENSES</b>			
Faculty Salaries	45,459,500	37,133,391	108,072
Staff Salaries	58,007,039	35,392,981	43,985,644
Employee Benefits	47,292,265	27,766,334	18,519,022
Other Personal Services	565,459	2,008,226	974,254
Travel	1,772,840	1,386,219	1,372,852
Scholarships and Fellowships	10,739,374	15,768,491	330,365
Utilities	4,347,813	5,383,928	7,608,728
Supplies and Other Services	45,978,879	32,090,658	722,894,779
Depreciation	14,986,683	16,837,155	23,080,312
<b>Total Operating Expenses</b>	<b>229,149,852</b>	<b>173,767,383</b>	<b>818,874,028</b>
<b>Operating Income (Loss)</b>	<b>\$ (96,806,728)</b>	<b>\$ (73,929,589)</b>	<b>\$ (260,794,987)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	University of West Georgia	Valdosta State University	University System Office
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State Appropriations	\$ 64,411,102	\$ 51,327,479	\$ 200,265,231
Grants and Contracts			
Federal	25,799,970	23,929,975	7,756,369
State	—	33,026	684,140
Other	—	149,557	19,441,482
Gifts	1,125,377	1,055,240	708,142
Investment Income	1,442,271	833,788	5,088,391
Interest Expense	(8,213,500)	(6,257,638)	(1,549,130)
Other Nonoperating Revenues (Expenses)	(329,956)	(37,737)	(15,277,997)
Net Nonoperating Revenues	<u>84,235,264</u>	<u>71,033,690</u>	<u>217,116,628</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>(12,571,464)</u>	<u>(2,895,899)</u>	<u>(43,678,359)</u>
Capital Grants and Gifts			
Federal	—	—	—
State	26,947,505	2,583,648	649,452
Other	428,451	124,778	4,636,064
Additions to Permanent and Term Endowments	—	9,147	—
Special Item	—	—	—
Total Other Revenues, Expenses, Gains or Losses	<u>27,375,956</u>	<u>2,717,573</u>	<u>5,285,516</u>
Change in Net Position	14,804,492	(178,326)	(38,392,843)
Net Position, Beginning of Year, Restated	<u>(2,210,971)</u>	<u>(858,076)</u>	<u>152,109,652</u>
Net Position, End of Year	<u>\$ 12,593,521</u>	<u>\$ (1,036,402)</u>	<u>\$ 113,716,809</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
<b>OPERATING REVENUES</b>			
Student Tuition and Fees (net)	\$ 2,108,520,037	\$ 656,606,011	\$ 2,765,126,048
Scholarship Allowance	—	(656,606,011)	(656,606,011)
Federal Appropriations	21,289,268	—	21,289,268
Grants and Contracts			
Federal	985,708,996	(6,738,892)	978,970,104
State	355,134,693	(1,802,355)	353,332,338
Other	661,858,783	(1,132,168)	660,726,615
Sales and Services	310,616,146	(45,285,907)	265,330,239
Rents and Royalties	8,505,013	—	8,505,013
Auxiliary Enterprises			
Residence Halls	362,653,853	(15,815,698)	346,838,155
Bookstore	54,052,693	—	54,052,693
Food Services	198,711,543	—	198,711,543
Parking/Transportation	92,292,166	—	92,292,166
Health Services	61,783,709	—	61,783,709
Intercollegiate Athletics	136,359,517	—	136,359,517
Other Organizations	42,315,954	—	42,315,954
Other Operating Revenues	547,075,097	(344,009,639)	203,065,458
<b>Total Operating Revenues</b>	<b>5,946,877,468</b>	<b>(414,784,659)</b>	<b>5,532,092,809</b>
<b>OPERATING EXPENSES</b>			
Faculty Salaries	1,811,926,203	—	1,811,926,203
Staff Salaries	2,086,891,651	—	2,086,891,651
Employee Benefits	1,410,616,241	(338,917,828)	1,071,698,413
Other Personal Services	18,618,701	—	18,618,701
Travel	86,981,155	—	86,981,155
Scholarships and Fellowships	350,423,920	—	350,423,920
Utilities	194,040,545	—	194,040,545
Supplies and Other Services	2,560,145,744	(76,254,694)	2,483,891,050
Depreciation	519,166,270	—	519,166,270
<b>Total Operating Expenses</b>	<b>9,038,810,430</b>	<b>(415,172,522)</b>	<b>8,623,637,908</b>
<b>Operating Income (Loss)</b>	<b>\$ (3,091,932,962)</b>	<b>\$ 387,863</b>	<b>\$ (3,091,545,099)</b>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**  
**(Unaudited)**

	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State Appropriations	\$ 2,434,476,353	\$ (1,550)	\$ 2,434,474,803
Grants and Contracts			
Federal	593,607,966	—	593,607,966
State	11,558,842	—	11,558,842
Other	88,754,232	—	88,754,232
Gifts	75,353,258	—	75,353,258
Investment Income	66,736,792	(59,036)	66,677,756
Interest Expense	(139,254,961)	59,036	(139,195,925)
Other Nonoperating Revenues (Expenses)	(30,668,020)	1,551	(30,666,469)
Net Nonoperating Revenues	3,100,564,462	1	3,100,564,463
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	8,631,500	387,864	9,019,364
Capital Grants and Gifts			
Federal	2,132,462	—	2,132,462
State	340,768,312	—	340,768,312
Other	20,396,747	—	20,396,747
Additions to Permanent and Term Endowments	1,300,359	—	1,300,359
Special Item	52,770,005	—	52,770,005
Total Other Revenues, Expenses, Gains or Losses	417,367,885	—	417,367,885
Change in Net Position	425,999,385	387,864	426,387,249
Net Position, Beginning of Year, Restated	1,605,954,075	1,598,078	1,607,552,153
Net Position, End of Year	\$ 2,031,953,460	\$ 1,985,942	\$ 2,033,939,402

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Abraham Baldwin Agricultural College Foundation, Inc. & Subsidiaries	Albany State University Foundation, Inc.	Armstrong State University Foundation, Inc.	Atlanta Metropolitan State College Projects Foundation, Inc.	Atlanta Metropolitan State College Foundation, Inc.
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 3,335,998	\$ 2,377,214	\$ 469,047	\$ 277,687	\$ 278,509
Cash and Cash Equivalents (Externally Restricted)	—	2,084,764	—	364,263	—
Short-term Investments	—	—	—	—	467,110
Short-term Investments (Externally Restricted)	—	—	—	—	—
Accounts Receivable, net					
Federal Financial Assistance	—	—	—	—	—
State General Appropriations	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—
Related Parties	—	—	—	—	—
Pledges and Contributions	202,300	141,084	274,425	—	—
Other	—	7,500	—	—	—
Notes Receivable, net	—	—	—	—	—
Due From Other Funds	—	—	—	—	—
Investment in Capital Leases	—	897,471	—	—	—
Inventories	—	—	—	—	—
Prepaid Items	—	—	—	—	—
Other Assets	—	—	—	—	—
Total Current Assets	<u>3,538,298</u>	<u>5,508,033</u>	<u>743,472</u>	<u>641,950</u>	<u>745,619</u>
<b>Non-Current Assets</b>					
Accounts Receivable, net					
Related Parties	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—
Pledges and Contributions	580,193	50,000	522,034	—	—
Other	—	—	—	—	—
Investments	22,731,618	3,022,453	15,137,961	—	—
Notes Receivable, net	—	—	—	—	—
Due From Other Funds	—	—	—	—	—
Investment in Capital Leases	—	33,783,629	—	—	—
Other Assets	245,242	—	—	—	—
Non-current Cash (Externally Restricted)	—	4,918,540	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—
Investments (Externally Restricted)	—	—	—	—	—
Capital Assets, net	7,739,494	—	—	8,745,684	—
Total Non-Current Assets	<u>31,296,547</u>	<u>41,774,622</u>	<u>15,659,995</u>	<u>8,745,684</u>	<u>—</u>
<b>TOTAL ASSETS</b>	<u>34,834,845</u>	<u>47,282,655</u>	<u>16,403,467</u>	<u>9,387,634</u>	<u>745,619</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ —	\$ —	\$ —	\$ —	\$ —



**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)  
JUNE 30, 2019**

	Abraham Baldwin Agricultural College Foundation, Inc. & Subsidiaries	Albany State University Foundation, Inc.	Armstrong State University Foundation, Inc.	Atlanta Metropolitan State College Projects Foundation, Inc.	Atlanta Metropolitan State College Foundation, Inc.
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 45,842	\$ 984,116	\$ 52,430	\$ —	\$ —
Salaries Payable	—	—	—	—	—
Benefits Payable	—	—	—	—	—
Contracts Payable	—	—	—	—	—
Retainage Payable	—	—	—	—	—
Due to Related Parties	—	21,830	2,460	—	—
Due to Other Funds	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—
Deposits	—	—	—	—	—
Deposits Held for Other Organizations	—	—	—	—	—
Other Liabilities	—	—	—	—	—
Notes and Loans Payable	2,560,000	—	—	285,000	—
Lease Purchase Obligations	—	—	—	—	—
Revenue Bonds and Notes Payable	—	1,050,000	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—
Pollution Remediation	—	—	—	—	—
Claims and Judgments	—	—	—	—	—
Compensated Absences	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>2,605,842</b>	<b>2,055,946</b>	<b>54,890</b>	<b>285,000</b>	<b>—</b>
<b>Non-Current Liabilities</b>					
Due to Related Parties	—	—	—	—	—
Due to Other Funds	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	6,727,384	—
Other Liabilities	—	—	—	—	17,505,364
Notes and Loans Payable	—	—	9,910,160	—	—
Lease Purchase Obligations	—	—	—	—	—
Revenue Bonds and Notes Payable	—	36,984,862	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—
Pollution Remediation	—	—	—	—	—
Claims and Judgments	—	—	—	—	—
Compensated Absences	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—
Net Pension Liability	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>—</b>	<b>36,984,862</b>	<b>—</b>	<b>9,910,160</b>	<b>—</b>
<b>TOTAL LIABILITIES</b>	<b>2,605,842</b>	<b>39,040,808</b>	<b>54,890</b>	<b>10,195,160</b>	<b>—</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	—	—	—	—	—
<b>NET POSITION</b>					
Net Investment in Capital Assets	5,279,494	—	—	—	—
Restricted for:					
Nonexpendable	10,021,971	2,038,731	7,958,971	—	—
Expendable	7,329,030	1,200,482	7,648,888	—	369,312
Unrestricted	9,598,508	5,002,634	740,718	(807,526)	376,307
<b>TOTAL NET POSITION</b>	<b>\$ 32,229,003</b>	<b>\$ 8,241,847</b>	<b>\$ 16,348,577</b>	<b>\$ (807,526)</b>	<b>\$ 745,619</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	AU Health System Inc	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	Augusta University College of Dental Medicine Faculty Practice Group d/b/a AU Dental Faculty Practice Group	Bainbridge State College Foundation	Clayton State University Foundation, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 82,451,606	\$ 4,315,878	\$ 5,443,768	\$ 1,218,677	\$ 21,522	\$ 2,700,729
Cash and Cash Equivalents (Externally Restricted)	1,121,058	3,489,218	—	—	—	5,660,505
Short-term Investments	42,765,506	1,525,924	—	—	—	—
Short-term Investments (Externally Restricted)	15,172,846	—	—	—	—	415,564
Accounts Receivable, net						
Federal Financial Assistance	—	—	4,304,155	—	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	5,706,173	—	—	724,721	—	—
Pledges and Contributions	—	155,965	—	—	—	317,068
Other	159,350,401	58,655	—	31,294	—	58,277
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	124,496	—	—	—	—	—
Investment in Capital Leases	1,226,662	2,075,695	—	—	—	—
Inventories	20,646,799	—	—	—	—	—
Prepaid Items	19,556,715	1,767	—	—	—	9,843
Other Assets	—	—	—	—	—	—
Total Current Assets	<u>348,122,262</u>	<u>11,623,102</u>	<u>9,747,923</u>	<u>1,974,692</u>	<u>21,522</u>	<u>9,161,986</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	—	96,513	—	—	—	141,847
Other	20,212,846	—	—	—	—	—
Investments	112,917,934	1,086,453	4,474,350	16,582,962	2,369,878	8,991,525
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	21,292,862	29,510,311	—	—	—	54,654,110
Other Assets	5,416,198	194,775	—	—	—	—
Non-current Cash (Externally Restricted)	—	—	69,973	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	3,895,086	28,842,938	—	—	—	1,672,669
Capital Assets, net	251,547,353	—	—	—	—	7,308,736
Total Non-Current Assets	<u>415,282,279</u>	<u>59,730,990</u>	<u>4,544,323</u>	<u>16,582,962</u>	<u>2,369,878</u>	<u>72,768,887</u>
<b>TOTAL ASSETS</b>	<u>763,404,541</u>	<u>71,354,092</u>	<u>14,292,246</u>	<u>18,557,654</u>	<u>2,391,400</u>	<u>81,930,873</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	AU Health System Inc	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	Augusta University College of Dental Medicine Faculty Practice Group d/b/a AU Dental Faculty Practice Group	Bainbridge State College Foundation	Clayton State University Foundation, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 75,690,993	\$ 433,805	\$ 155,642	\$ 15,097,138	\$ —	\$ 1,567,871
Salaries Payable	9,325,924	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	66,784,070	303,793	4,249,535	555,024	—	—
Due to Other Funds	124,866	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	950,497	—	—	—	—
Deposits	—	—	—	—	—	—
Deposits Held for Other Organizations	—	—	—	—	—	—
Other Liabilities	9,528,152	—	18,979	—	—	—
Notes and Loans Payable	—	—	—	—	—	246,621
Lease Purchase Obligations	6,327,586	—	—	—	—	—
Revenue Bonds and Notes Payable	5,165,000	1,025,000	—	—	—	1,625,000
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	20,521,811	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>193,468,402</b>	<b>2,713,095</b>	<b>4,424,156</b>	<b>15,652,162</b>	<b>—</b>	<b>3,439,492</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	—	—	1,672,669	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—	—
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	—	—	—	3,671,398	—	—
Lease Purchase Obligations	19,372,866	—	—	—	—	—
Revenue Bonds and Notes Payable	208,119,966	22,023,567	—	—	—	62,159,921
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	20,085,401	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	6,758,623	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>271,842,220</b>	<b>28,750,951</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>67,503,988</b>
<b>TOTAL LIABILITIES</b>	<b>465,310,622</b>	<b>31,464,046</b>	<b>4,424,156</b>	<b>15,652,162</b>	<b>—</b>	<b>70,943,480</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	53,293,543	—	—	—	—	7,308,736
Restricted for:						
Nonexpendable	—	19,652,615	—	—	—	3,885,112
Expendable	20,072,515	16,754,168	69,973	—	2,391,400	6,069,434
Unrestricted	224,727,861	3,483,263	9,798,117	2,905,492	—	(6,275,889)
<b>TOTAL NET POSITION</b>	<b>\$ 298,093,919</b>	<b>\$ 39,890,046</b>	<b>\$ 9,868,090</b>	<b>\$ 2,905,492</b>	<b>\$ 2,391,400</b>	<b>\$ 10,987,393</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	College of Coastal Georgia Foundation, Inc.	Columbus State University Alumni Association, Inc.	Columbus State University Athletic Fund, Inc.	Columbus State University Foundation, Inc.	Columbus State University Research & Service Foundation	Dalton State College Athletic Club
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 755,733	\$ 88,310	\$ 154,337	\$ 2,329,248	26,167	\$ 2,109
Cash and Cash Equivalents (Externally Restricted)	—	6,914	—	9,868,014	—	—
Short-term Investments	—	50,352	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	—	—	13,830	—	—	—
Pledges and Contributions	112,812	—	5,054	6,598,492	—	—
Other	—	12	—	6,500	—	—
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	—	—	—	—	—
Inventories	—	7,064	—	—	—	—
Prepaid Items	676	1,000	4,613	125,957	—	—
Other Assets	—	—	—	73,776	—	—
Total Current Assets	<u>869,221</u>	<u>153,652</u>	<u>177,834</u>	<u>19,001,987</u>	<u>26,167</u>	<u>2,109</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	251,007	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	72,686	—	5,500	16,007,844	—	—
Other	—	—	—	—	—	—
Investments	13,908,970	—	2,662,161	68,509,420	—	—
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	—	—	—	—	—
Other Assets	255,085	—	—	—	—	—
Non-current Cash (Externally Restricted)	—	—	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	—	—	—	—	—
Capital Assets, net	1,441,513	—	—	22,949,163	—	1,144,027
Total Non-Current Assets	<u>15,678,254</u>	<u>251,007</u>	<u>2,667,661</u>	<u>107,466,427</u>	<u>—</u>	<u>1,144,027</u>
<b>TOTAL ASSETS</b>	<u>16,547,475</u>	<u>404,659</u>	<u>2,845,495</u>	<u>126,468,414</u>	<u>26,167</u>	<u>1,146,136</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	College of Coastal Georgia Foundation, Inc.	Columbus State University Alumni Association, Inc.	Columbus State University Athletic Fund, Inc.	Columbus State University Foundation, Inc.	Columbus State University Research & Service Foundation	Dalton State College Athletic Club
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ —	\$ 9,007	\$ 6,000	\$ 340,662	\$ —	\$ —
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	163,355	13	—	9,092,873	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	75	3,650	—	—
Deposits	—	—	—	—	—	—
Deposits Held for Other Organizations	—	—	—	—	23,663	—
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	—	—	—	—	—	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	—	—	—	—	—
Liabilities Under Split Interest Agreements	2,564	—	—	104,707	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>165,919</b>	<b>9,020</b>	<b>6,075</b>	<b>9,541,892</b>	<b>23,663</b>	<b>—</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	10,637,609	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—	—
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	—	—	—	—	—	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	—	—	—	—	—
Liabilities Under Split Interest Agreements	11,382	—	—	965,209	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>11,382</b>	<b>—</b>	<b>—</b>	<b>11,602,818</b>	<b>—</b>	<b>—</b>
<b>TOTAL LIABILITIES</b>	<b>177,301</b>	<b>9,020</b>	<b>6,075</b>	<b>21,144,710</b>	<b>23,663</b>	<b>—</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,441,513	—	—	22,949,163	—	1,144,027
Restricted for:						
Nonexpendable	7,247,674	115,133	1,364,633	26,529,730	—	—
Expendable	5,645,807	—	1,504,635	54,176,047	—	—
Unrestricted	2,035,180	280,506	(29,848)	1,668,764	2,504	2,109
<b>TOTAL NET POSITION</b>	<b>\$ 16,370,174</b>	<b>\$ 395,639</b>	<b>\$ 2,839,420</b>	<b>\$ 105,323,704</b>	<b>\$ 2,504</b>	<b>\$ 1,146,136</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Dalton State College Foundation, Inc.	Darton Boosters, Inc.	Darton State College Foundation, Inc.	East Georgia State College Foundation, Inc.	Fort Valley State University Foundation, Inc.	Foundation Properties, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 414,301	\$ 15,224	\$ 578,864	\$ 87,785	\$ 4,748,681	\$ 7,569,051
Cash and Cash Equivalents (Externally Restricted)	—	—	—	—	—	—
Short-term Investments	24,674,441	—	—	—	925,513	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	—	—	—	—	—	2,530,186
Pledges and Contributions	2,560,526	—	—	207,415	—	—
Other	—	—	2,000	—	1,141,550	108,879
Notes Receivable, net	—	—	—	—	10,000	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	479,197	—	—	—	—
Inventories	—	—	—	—	—	—
Prepaid Items	25,529	—	—	—	—	16,247
Other Assets	—	—	—	—	—	2,119
Total Current Assets	<u>27,674,797</u>	<u>494,421</u>	<u>580,864</u>	<u>295,200</u>	<u>6,825,744</u>	<u>10,226,482</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	1,261,288
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	3,143,238	—	24,659	571,882	—	—
Other	—	—	—	—	17,534,021	—
Investments	—	—	4,231,467	861,199	7,306,090	3,278,624
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	20,826,043	—	—	—	—
Other Assets	—	333,928	—	—	41,987	—
Non-current Cash (Externally Restricted)	—	1,816,598	—	—	—	794,017
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	—	—	237,120	1,321,944	—
Capital Assets, net	2,962,112	—	407,295	697,370	1,378,583	98,760,933
Total Non-Current Assets	<u>6,105,350</u>	<u>22,976,569</u>	<u>4,663,421</u>	<u>2,367,571</u>	<u>27,582,625</u>	<u>104,094,862</u>
<b>TOTAL ASSETS</b>	<u>33,780,147</u>	<u>23,470,990</u>	<u>5,244,285</u>	<u>2,662,771</u>	<u>34,408,369</u>	<u>114,321,344</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Dalton State College Foundation, Inc.	Darton Boosters, Inc.	Darton State College Foundation, Inc.	East Georgia State College Foundation, Inc.	Fort Valley State University Foundation, Inc.	Foundation Properties, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 161,242	\$ —	\$ —	\$ 743	\$ 178,278	\$ 495,048
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	—	—	—	8,949	—	33,167,381
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	10,022	—	—	—	24,278
Deposits	—	—	—	—	—	—
Deposits Held for Other Organizations	—	—	—	—	—	—
Other Liabilities	—	—	—	—	—	193,141
Notes and Loans Payable	1,500,000	—	—	—	17,065	1,000,000
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	530,000	—	—	430,000	2,017,709
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>1,661,242</b>	<b>540,022</b>	<b>—</b>	<b>9,692</b>	<b>625,343</b>	<b>36,897,557</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	—	760,860	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	4,849,822	—
Other Liabilities	—	—	—	—	522,376	—
Notes and Loans Payable	—	—	217,784	12,860,075	6,322,077	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	19,885,518	—	—	18,245,571	40,124,027
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>—</b>	<b>19,885,518</b>	<b>—</b>	<b>—</b>	<b>19,224,215</b>	<b>52,984,102</b>
<b>TOTAL LIABILITIES</b>	<b>1,661,242</b>	<b>20,425,540</b>	<b>—</b>	<b>9,692</b>	<b>19,849,558</b>	<b>89,881,659</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	2,962,112	—	407,295	—	2,391,669	—
Restricted for:						
Nonexpendable	13,746,245	—	1,377,826	237,120	4,737,867	1,456,366
Expendable	4,765,818	—	608,932	1,719,700	5,984,249	—
Unrestricted	10,644,730	3,045,450	2,850,232	696,259	1,445,026	22,983,319
<b>TOTAL NET POSITION</b>	<b>\$ 32,118,905</b>	<b>\$ 3,045,450</b>	<b>\$ 5,244,285</b>	<b>\$ 2,653,079</b>	<b>\$ 14,558,811</b>	<b>\$ 24,439,685</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Alumni Association, Inc.	Georgia College & State University Foundation	Georgia Gwinnett College Foundation, Inc.	Georgia Health Sciences Foundation, Inc.	Georgia Highlands College Foundation, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 20,779,697	\$ 331,854	\$ 2,758,460	\$ 1,904,325	\$ 169,538	\$ 761,789
Cash and Cash Equivalents (Externally Restricted)	325,688	—	—	—	—	978,777
Short-term Investments	—	—	—	—	2,520,418	—
Short-term Investments (Externally Restricted)	—	—	—	—	9,925,571	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	44,868	—	—	—	892	—
Pledges and Contributions	125,514	3,500	527,299	18,570	1,972,673	—
Other	51,591	—	2,197	7,755	—	—
Notes Receivable, net	16,471	—	—	—	—	—
Due From Other Funds	—	—	—	—	124,866	—
Investment in Capital Leases	1,339,267	—	814,219	12,179,953	—	1,284,210
Inventories	—	8,111	—	—	—	—
Prepaid Items	26,974	185	8,833	—	138,673	—
Other Assets	615,250	—	—	—	—	—
<b>Total Current Assets</b>	<b>23,325,320</b>	<b>343,650</b>	<b>4,111,008</b>	<b>14,110,603</b>	<b>14,852,631</b>	<b>3,024,776</b>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	574,921	5,500	634,924	11,200	138,873	—
Other	—	—	—	—	—	—
Investments	15,000	8,748,086	11,087,289	6,236,701	—	2,249,470
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	78,931,401	—	81,516,434	149,185,856	—	14,411,924
Other Assets	522,376	4,500	1,173,124	10,400	—	—
Non-current Cash (Externally Restricted)	4,725,816	—	—	12,063,554	—	616,944
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	—	42,138,780	—	5,177,714	—
Capital Assets, net	84,282,460	—	1,210,801	8,262,388	2,295,000	735
<b>Total Non-Current Assets</b>	<b>169,051,974</b>	<b>8,758,086</b>	<b>137,761,352</b>	<b>175,770,099</b>	<b>7,611,587</b>	<b>17,279,073</b>
<b>TOTAL ASSETS</b>	<b>192,377,294</b>	<b>9,101,736</b>	<b>141,872,360</b>	<b>189,880,702</b>	<b>22,464,218</b>	<b>20,303,849</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Alumni Association, Inc.	Georgia College & State University Foundation	Georgia Gwinnett College Foundation, Inc.	Georgia Health Sciences Foundation, Inc.	Georgia Highlands College Foundation, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 441,095	\$ 4,516	\$ 1,005,327	\$ 3,332,196	\$ 49,253	\$ 29,995
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	4,947,396	9,113	896,193	123,919	29,448	—
Due to Other Funds	—	—	—	—	123,743	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	1,645,136	—	—	22,689	190,790	—
Deposits	184,298	—	—	—	—	—
Deposits Held for Other Organizations	—	—	3,483,719	—	—	—
Other Liabilities	295,671	—	—	—	—	—
Notes and Loans Payable	249,285	—	—	124,035	—	—
Lease Purchase Obligations	1,901,011	—	—	—	—	—
Revenue Bonds and Notes Payable	1,085,000	—	2,975,000	3,995,000	—	460,000
Liabilities Under Split Interest Agreements	—	—	—	—	90,485	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>10,748,892</b>	<b>13,629</b>	<b>8,360,239</b>	<b>7,597,839</b>	<b>483,719</b>	<b>489,995</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	1,638,638	—	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—	—
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	—	2,033,444	—	—	37,675	—
Lease Purchase Obligations	50,903,907	—	—	—	—	—
Revenue Bonds and Notes Payable	60,439,482	—	89,329,464	163,070,449	—	15,359,396
Liabilities Under Split Interest Agreements	—	—	771,766	—	159,921	—
Interest Rate Swap	—	—	6,489,668	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>123,037,664</b>	<b>—</b>	<b>98,229,536</b>	<b>165,103,893</b>	<b>159,921</b>	<b>15,359,396</b>
<b>TOTAL LIABILITIES</b>	<b>133,786,556</b>	<b>13,629</b>	<b>106,589,775</b>	<b>172,701,732</b>	<b>643,640</b>	<b>15,849,391</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	22,871,446	—	1,210,801	8,262,388	2,295,000	735
Restricted for:						
Nonexpendable	—	5,705,065	21,089,242	3,323,020	2,751,102	943,396
Expendable	7,128,464	2,697,455	9,103,132	—	13,964,220	1,832,613
Unrestricted	28,590,828	685,587	3,879,410	5,593,562	2,810,256	1,677,714
<b>TOTAL NET POSITION</b>	<b>\$ 58,590,738</b>	<b>\$ 9,088,107</b>	<b>\$ 35,282,585</b>	<b>\$ 17,178,970</b>	<b>\$ 21,820,578</b>	<b>\$ 4,454,458</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Southern University Athletic Foundation, Inc.	Georgia Southern University Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia Southern University Research & Service Foundation, Inc.	Georgia Southwestern State University Foundation, Inc.	Georgia State University Alumni Association, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 4,375,665	\$ 99,859	\$ 2,244,047	\$ 5,226,741	\$ 63,627	\$ 253,843
Cash and Cash Equivalents (Externally Restricted)	1,802,687	—	—	—	4,251,089	—
Short-term Investments	—	—	6,327,002	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	1,162,725	—	—
State General Appropriations	—	—	—	190,191	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	1,774,228	—	—	—	10,223	—
Pledges and Contributions	2,780,903	803,243	—	—	2,095,063	—
Other	150,186	36,314	44,738	1,258,704	—	99,522
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	426,534	—	9,322,364	—	—	—
Inventories	—	—	—	3,757	—	—
Prepaid Items	3,916	—	14,555	42,975	13,802	36,150
Other Assets	—	—	—	—	—	—
Total Current Assets	<u>11,314,119</u>	<u>939,416</u>	<u>17,952,706</u>	<u>7,885,093</u>	<u>6,433,804</u>	<u>389,515</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	898,734	2,428,772	—	—	—	—
Other	—	—	—	—	—	—
Investments	1,891,223	68,122,876	—	—	31,981,176	1,637,040
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	19,478,186	—	203,795,245	—	—	—
Other Assets	11,154	2,262,833	—	—	14,317	24,952
Non-current Cash (Externally Restricted)	—	—	33,037,849	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	—	—	—	—	—
Capital Assets, net	2,502,903	1,616,968	1,620,000	—	160,677	6,490
Total Non-Current Assets	<u>24,782,200</u>	<u>74,431,449</u>	<u>238,453,094</u>	<u>—</u>	<u>32,156,170</u>	<u>1,668,482</u>
<b>TOTAL ASSETS</b>	<u>36,096,319</u>	<u>75,370,865</u>	<u>256,405,800</u>	<u>7,885,093</u>	<u>38,589,974</u>	<u>2,057,997</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Southern University Athletic Foundation, Inc.	Georgia Southern University Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia Southern University Research & Service Foundation, Inc.	Georgia Southwestern State University Foundation, Inc.	Georgia State University Alumni Association, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 431,169	\$ 60,082	\$ 3,809,222	\$ 23,472	\$ 16,751	\$ 27,052
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	8,750	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	242,202	91,924	418,164	2,878,042	6,250	17,007
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	1,174,787	—	—	919,633	—	18,791
Deposits	—	—	—	—	—	—
Deposits Held for Other Organizations	—	—	—	831,398	—	—
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	32,620	—	—	—	—	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	550,000	—	8,375,000	—	—	—
Liabilities Under Split Interest Agreements	—	9,150	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>2,430,778</b>	<b>161,156</b>	<b>12,602,386</b>	<b>4,652,545</b>	<b>31,751</b>	<b>62,850</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	1,991,400	—	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	69,005	—	—	—	—	—
Other Liabilities	10,558	—	—	—	—	4,410,299
Notes and Loans Payable	—	—	—	—	—	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	20,123,404	—	208,900,686	—	—	—
Liabilities Under Split Interest Agreements	—	68,912	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>20,161,079</b>	<b>68,912</b>	<b>210,971,649</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL LIABILITIES</b>	<b>22,591,857</b>	<b>230,068</b>	<b>223,574,035</b>	<b>4,652,545</b>	<b>31,751</b>	<b>62,850</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	2,432,608	1,616,968	1,620,000	—	160,677	6,490
Restricted for:						
Nonexpendable	1,426,448	43,231,501	—	—	13,178,286	—
Expendable	6,618,576	26,184,816	33,037,849	—	15,377,674	47,229
Unrestricted	3,026,830	4,107,512	(1,826,084)	3,232,548	9,841,586	1,941,428
<b>TOTAL NET POSITION</b>	<b>\$ 13,504,462</b>	<b>\$ 75,140,797</b>	<b>\$ 32,831,765</b>	<b>\$ 3,232,548</b>	<b>\$ 38,558,223</b>	<b>\$ 1,995,147</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia State University Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Alumni Association	Georgia Tech Athletic Association	Georgia Tech Facilities, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 3,865,917	\$ 7,176,214	\$ 7,123,926	\$ 583,334	\$ 3,278,866	\$ 8,923,721
Cash and Cash Equivalents (Externally Restricted)	—	8,439,967	5,372,585	—	—	15,358,356
Short-term Investments	—	—	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	1,149,746	—	2,854,710	—	—	3,656,659
Pledges and Contributions	8,878,856	4,726,801	—	—	5,742,113	—
Other	256,686	798,212	17,402,546	86,079	2,720,108	—
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	3,588,630	2,437,273	—	—	9,784,695
Inventories	—	—	—	6,836	—	—
Prepaid Items	276,446	—	16,385,919	29,408	1,092,373	258,447
Other Assets	—	—	—	—	—	—
Total Current Assets	<u>14,427,651</u>	<u>24,729,824</u>	<u>51,576,959</u>	<u>705,657</u>	<u>12,833,460</u>	<u>37,981,878</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	5,415,000
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	—	6,823,492	—	—	14,053,703	—
Other	—	—	—	—	—	—
Investments	—	27,811,871	10,312,421	290,674	—	—
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	114,101,675	67,595,383	—	—	202,569,553
Other Assets	—	4,904,918	—	—	728,445	3,293,750
Non-current Cash (Externally Restricted)	—	—	—	—	—	117,341,744
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	218,633,824	—	—	108,299,697	—
Capital Assets, net	593,509	15,271,982	7,880,627	309,230	170,382,079	59,323,472
Total Non-Current Assets	<u>593,509</u>	<u>387,547,762</u>	<u>85,788,431</u>	<u>599,904</u>	<u>293,463,924</u>	<u>387,943,519</u>
<b>TOTAL ASSETS</b>	<u>15,021,160</u>	<u>412,277,586</u>	<u>137,365,390</u>	<u>1,305,561</u>	<u>306,297,384</u>	<u>425,925,397</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,937,156</u>	<u>\$ —</u>	<u>\$ 15,109,831</u>	<u>\$ —</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia State University Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Alumni Association	Georgia Tech Athletic Association	Georgia Tech Facilities, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 430,932	\$ 4,206,947	\$ 1,769,519	\$ 235,667	\$ 3,939,769	\$ 7,816,725
Salaries Payable	26,845	—	—	—	—	—
Benefits Payable	8,080	—	—	85,044	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	5,005,761
Due to Related Parties	554,826	—	18,201,530	38,474	2,086,132	15,771
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	1,270,632	1,270,067	—	235,785	556,166	1,200,050
Deposits	—	—	—	—	11,604,705	—
Deposits Held for Other Organizations	—	2,344,706	—	—	—	—
Other Liabilities	—	1,024,196	—	—	—	—
Notes and Loans Payable	—	—	—	—	948,461	—
Lease Purchase Obligations	18,838	—	—	—	330,603	—
Revenue Bonds and Notes Payable	—	4,110,000	2,310,000	—	31,190,000	11,818,000
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	1,000,000	—
Compensated Absences	375,255	—	—	189,309	—	—
<b>Total Current Liabilities</b>	<b>2,685,408</b>	<b>12,955,916</b>	<b>22,281,049</b>	<b>784,279</b>	<b>51,655,836</b>	<b>25,856,307</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	—	—	—	114,005,371	—
Due to Other Funds	—	—	—	—	5,629	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	8,398,867	—	—
Other Liabilities	—	—	—	—	9,363,000	—
Notes and Loans Payable	—	—	13,188,112	—	70,347,000	—
Lease Purchase Obligations	16,345	—	—	—	836,364	—
Revenue Bonds and Notes Payable	—	125,267,927	78,352,524	—	183,068,586	351,286,357
Liabilities Under Split Interest Agreements	—	1,239,720	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	580,624	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>16,345</b>	<b>130,917,946</b>	<b>78,352,524</b>	<b>—</b>	<b>197,673,686</b>	<b>359,685,224</b>
<b>TOTAL LIABILITIES</b>	<b>2,701,753</b>	<b>143,873,862</b>	<b>100,633,573</b>	<b>784,279</b>	<b>249,329,522</b>	<b>385,541,531</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	16,363,042	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	558,326	15,271,982	7,880,627	309,230	(44,070,216)	19,076,356
Restricted for:						
Nonexpendable	—	140,353,645	1,550,000	—	45,427,130	—
Expendable	3,011,977	91,393,983	7,315,223	—	77,320,731	9,692,846
Unrestricted	8,749,104	21,384,114	11,560,081	212,052	(6,599,952)	11,614,664
<b>TOTAL NET POSITION</b>	<b>\$ 12,319,407</b>	<b>\$ 268,403,724</b>	<b>\$ 28,305,931</b>	<b>\$ 521,282</b>	<b>\$ 72,077,693</b>	<b>\$ 40,383,866</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Tech Foundation, Inc.	Georgia Tech Global, Inc.	Georgia Tech Research Corporation	Global Center for Medical Innovation, Inc.	Gordon State College Foundation, Inc. & Subsidiaries	IgniteHQ
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 6,894,000	\$ 2,407,076	\$ 111,814,086	\$ 634,806	\$ 148,404	\$ 369,437
Cash and Cash Equivalents (Externally Restricted)	14,343,000	—	—	—	114,157	—
Short-term Investments	—	—	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	50,965	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	3,659,415	—	—	3,313	—	—
Pledges and Contributions	24,234,000	10,000	—	—	—	—
Other	12,646,243	—	156,789,431	1,176,707	—	—
Notes Receivable, net	700,161	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	9,809,177	—	372,456	—	295,649	—
Inventories	—	—	—	—	—	—
Prepaid Items	—	6,645	128,542	28,237	—	—
Other Assets	1,504,237	—	—	—	—	—
Total Current Assets	<u>73,790,233</u>	<u>2,423,721</u>	<u>269,104,515</u>	<u>1,894,028</u>	<u>558,210</u>	<u>369,437</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	69,989,000	—	—	—	—	—
Other	14,107,000	31,367	—	—	—	—
Investments	401,494,000	—	63	—	10,955,752	—
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	116,872,823	—	3,469,912	—	12,366,289	—
Other Assets	23,518,944	—	—	37,161	—	—
Non-current Cash (Externally Restricted)	—	—	—	—	1,147,225	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	1,470,060,000	—	—	—	—	—
Capital Assets, net	147,397,000	149,625	807,914	9,267,479	—	256,694
Total Non-Current Assets	<u>2,243,438,767</u>	<u>180,992</u>	<u>4,277,889</u>	<u>9,304,640</u>	<u>24,469,266</u>	<u>256,694</u>
<b>TOTAL ASSETS</b>	<u>2,317,229,000</u>	<u>2,604,713</u>	<u>273,382,404</u>	<u>11,198,668</u>	<u>25,027,476</u>	<u>626,131</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Georgia Tech Foundation, Inc.	Georgia Tech Global, Inc.	Georgia Tech Research Corporation	Global Center for Medical Innovation	Gordon State College Foundation, Inc. & Subsidiaries	IgniteHQ
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 5,328,962	\$ 292,043	\$ —	\$ 107,388	\$ 327,944	\$ 2,250
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	10,002,038	—	93,378,155	2,405,353	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	18,164,000	2,004,450	62,236,768	552,961	—	—
Deposits	242,000	—	—	—	—	—
Deposits Held for Other Organizations	—	—	40,893,012	—	—	—
Other Liabilities	—	—	—	—	—	139,348
Notes and Loans Payable	55,613,000	—	—	—	—	—
Lease Purchase Obligations	—	—	405,778	—	—	—
Revenue Bonds and Notes Payable	12,065,000	—	—	—	275,000	—
Liabilities Under Split Interest Agreements	1,504,237	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	444,000	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>103,363,237</b>	<b>2,296,493</b>	<b>196,913,713</b>	<b>3,065,702</b>	<b>602,944</b>	<b>141,598</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	265,000	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—	—
Other Liabilities	—	273,082	—	—	—	—
Notes and Loans Payable	—	—	—	—	—	—
Lease Purchase Obligations	—	—	3,436,592	—	—	—
Revenue Bonds and Notes Payable	222,659,000	—	—	—	11,137,278	—
Liabilities Under Split Interest Agreements	15,522,763	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	38,754	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>431,902,763</b>	<b>38,754</b>	<b>3,436,592</b>	<b>538,082</b>	<b>11,137,278</b>	<b>—</b>
<b>TOTAL LIABILITIES</b>	<b>535,266,000</b>	<b>2,335,247</b>	<b>200,350,305</b>	<b>3,603,784</b>	<b>11,740,222</b>	<b>141,598</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	(12,793,068)	149,625	807,914	9,267,479	—	256,694
Restricted for:						
Nonexpendable	1,396,470,000	—	—	—	3,321,291	—
Expendable	192,397,000	14,131	—	—	722,268	—
Unrestricted	205,889,068	105,710	72,224,185	(1,672,595)	9,243,695	227,839
<b>TOTAL NET POSITION</b>	<b>\$ 1,781,963,000</b>	<b>\$ 269,466</b>	<b>\$ 73,032,099</b>	<b>\$ 7,594,884</b>	<b>\$ 13,287,254</b>	<b>\$ 484,533</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	James M. Dye Foundation, Inc.	Kennesaw State University Alumni Association, Inc.	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Kennesaw State University Research & Service Foundation, Inc.	Medical College of Georgia Foundation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 132,903	\$ 324,788	\$ 4,673,874	\$ 20,976,524	\$ 3,390,057	\$ 1,071,411
Cash and Cash Equivalents (Externally Restricted)	—	—	—	—	—	89,941
Short-term Investments	—	—	—	11,808,911	1,757,435	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	1,429,412	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	—	—	18,096	136,670	128,759	57,711
Pledges and Contributions	—	—	1,000,000	3,795,285	—	517,721
Other	—	—	222,332	672,505	—	—
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	—	—	8,443,863	—	—
Inventories	—	—	190,833	—	—	—
Prepaid Items	608	—	24,395	71,873	2,423	—
Other Assets	—	—	1,980	—	—	—
Total Current Assets	<u>133,511</u>	<u>324,788</u>	<u>6,131,510</u>	<u>45,905,631</u>	<u>6,708,086</u>	<u>1,736,784</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	—	—	—	6,532,146	—	1,027,500
Other	—	—	—	—	—	16,588
Investments	2,484,132	23,847	—	16,552,416	—	35,619,861
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	—	—	211,334,317	—	—
Other Assets	—	—	—	—	—	240,966
Non-current Cash (Externally Restricted)	—	—	—	52,811,934	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	56,206	—	37,975,707	—	221,076,112
Capital Assets, net	—	—	1,728,704	82,805,582	—	14,719,740
Total Non-Current Assets	<u>2,484,132</u>	<u>80,053</u>	<u>1,728,704</u>	<u>408,012,102</u>	<u>—</u>	<u>272,700,767</u>
<b>TOTAL ASSETS</b>	<u>2,617,643</u>	<u>404,841</u>	<u>7,860,214</u>	<u>453,917,733</u>	<u>6,708,086</u>	<u>274,437,551</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>



**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	James M. Dye Foundation, Inc.	Kennesaw State University Alumni Association, Inc.	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Kennesaw State University Research & Service Foundation, Inc.	Medical College of Georgia Foundation
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 4,062	\$ 769	\$ 211,059	\$ 8,239,582	\$ —	\$ 35,246
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	—	—	99,604	1,324,742	3,018,798	80,312
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	602,656	779,628	1,211,498	—
Deposits	—	—	—	29,678	—	—
Deposits Held for Other Organizations	—	—	—	80,051	—	—
Other Liabilities	—	—	—	—	—	20,994
Notes and Loans Payable	—	—	429,608	—	—	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	—	—	12,575,000	—	—
Liabilities Under Split Interest Agreements	—	—	—	550	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>4,062</b>	<b>769</b>	<b>1,342,927</b>	<b>23,029,231</b>	<b>4,230,296</b>	<b>136,552</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	—	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—	—
Other Liabilities	—	10,000	—	—	—	—
Notes and Loans Payable	—	—	—	—	9,472,672	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	—	—	347,349,955	—	—
Liabilities Under Split Interest Agreements	—	—	—	2,265	—	818,690
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>—</b>	<b>—</b>	<b>491,668</b>	<b>347,352,220</b>	<b>—</b>	<b>10,291,362</b>
<b>TOTAL LIABILITIES</b>	<b>4,062</b>	<b>769</b>	<b>1,834,595</b>	<b>370,381,451</b>	<b>4,230,296</b>	<b>10,427,914</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	—	—	1,299,096	(34,864,945)	—	5,247,068
Restricted for:						
Nonexpendable	2,480,797	56,206	—	37,981,174	—	132,872,471
Expendable	—	—	3,035,858	29,381,899	509,591	90,841,621
Unrestricted	132,784	347,866	1,690,665	51,038,154	1,968,199	35,048,477
<b>TOTAL NET POSITION</b>	<b>\$ 2,613,581</b>	<b>\$ 404,072</b>	<b>\$ 6,025,619</b>	<b>\$ 83,536,282</b>	<b>\$ 2,477,790</b>	<b>\$ 264,009,637</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Middle Georgia State University Foundation, Inc. & Subsidiaries	Middle Georgia State University Real Estate Foundation, Inc.	Savannah State University Foundation, Inc. & Subsidiaries	South Georgia State College Foundation, Inc. & Subsidiaries	Southern Polytechnic Applied Research Corporation	University of Georgia Athletic Association, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 577,527	\$ 1,259,396	\$ 830,201	\$ 524,501	\$ 717,119	\$ 57,831,568
Cash and Cash Equivalents (Externally Restricted)	1,117,560	—	—	—	—	—
Short-term Investments	—	—	223,244	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	—	—	—	—	—	1,375,675
Pledges and Contributions	1,111,236	—	—	—	—	—
Other	—	119,743	235,779	14,920	—	2,101,222
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	787,064	2,393,908	—	—	—
Inventories	—	—	—	—	—	—
Prepaid Items	40,370	7,275	2,746	—	500	872,644
Other Assets	—	—	—	—	—	—
Total Current Assets	<u>2,846,693</u>	<u>2,173,478</u>	<u>3,685,878</u>	<u>539,421</u>	<u>717,619</u>	<u>62,181,109</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	150,781	—	—	—	—	—
Other	—	—	—	—	—	—
Investments	11,474,967	—	—	4,598,750	—	51,808,178
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	31,675,308	75,002,304	—	—	—
Other Assets	75,288	—	—	—	—	305,118
Non-current Cash (Externally Restricted)	—	—	5,602,474	—	—	—
Short-term Investments (Externally Restricted)	—	3,543,390	—	—	—	—
Investments (Externally Restricted)	—	—	—	—	—	—
Capital Assets, net	205,300	1,014,811	150,000	330,395	—	323,545,121
Total Non-Current Assets	<u>11,906,336</u>	<u>36,233,509</u>	<u>80,754,778</u>	<u>4,929,145</u>	<u>—</u>	<u>375,658,417</u>
<b>TOTAL ASSETS</b>	<u>14,753,029</u>	<u>38,406,987</u>	<u>84,440,656</u>	<u>5,468,566</u>	<u>717,619</u>	<u>437,839,526</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,316,338</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	Middle Georgia State University Foundation, Inc. & Subsidiaries	Middle Georgia State University Real Estate Foundation, Inc.	Savannah State University Foundation, Inc. & Subsidiaries	South Georgia State College Foundation, Inc. & Subsidiaries	Southern Polytechnic Applied Research Corporation	University of Georgia Athletic Association, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 493,635	\$ 723,082	\$ 258,700	\$ 122,280	\$ 312,578	\$ 328,078
Salaries Payable	—	—	—	—	—	5,783,920
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	—	26,082	—	—	317,555	5,997,929
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	204,588	—	—	37,373,561
Deposits	—	—	—	—	—	—
Deposits Held for Other Organizations	316,306	—	—	—	—	—
Other Liabilities	—	—	9,088,095	—	1,815	—
Notes and Loans Payable	—	—	359,719	—	—	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	800,000	2,365,000	—	—	2,885,000
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>809,941</b>	<b>1,549,164</b>	<b>12,276,102</b>	<b>122,280</b>	<b>631,948</b>	<b>52,368,488</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	—	—	—	—	—
Due to Other Funds	—	—	—	—	1,666,423	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—	1,824,121
Other Liabilities	—	—	—	305,118	—	—
Notes and Loans Payable	991,986	—	—	15,836,592	14,496,642	8,516,222
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	31,165,435	68,777,178	—	—	88,876,151
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	3,737,734
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>10,000</b>	<b>31,165,435</b>	<b>69,769,164</b>	<b>—</b>	<b>—</b>	<b>108,755,595</b>
<b>TOTAL LIABILITIES</b>	<b>819,941</b>	<b>32,714,599</b>	<b>82,045,266</b>	<b>122,280</b>	<b>631,948</b>	<b>161,124,083</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	—	—	—	—	—	—
<b>NET POSITION</b>						
Net Investment in Capital Assets	205,300	1,014,811	150,000	330,395	—	225,525,982
Restricted for:						
Nonexpendable	9,403,701	—	110,000	4,599,116	—	—
Expendable	4,173,063	—	186,610	—	—	—
Unrestricted	151,024	4,677,577	1,948,780	416,775	85,671	64,505,799
<b>TOTAL NET POSITION</b>	<b>\$ 13,933,088</b>	<b>\$ 5,692,388</b>	<b>\$ 2,395,390</b>	<b>\$ 5,346,286</b>	<b>\$ 85,671</b>	<b>\$ 290,031,781</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Foundation - Dahlonega, Inc.	University of North Georgia Real Estate Foundation, Inc.	University of West Georgia Athletic Foundation, Inc.	University of West Georgia Foundation, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 2,602,149	\$ 28,640,409	\$ 1,680,425	\$ 1,509,047	\$ 193,630	\$ (355,697)
Cash and Cash Equivalents (Externally Restricted)	13,512,095	—	—	4,658,278	270,968	7,000,221
Short-term Investments	24,908,997	—	—	—	—	—
Short-term Investments (Externally Restricted)	129,344,169	—	—	—	—	—
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	—
State General Appropriations	—	—	—	—	—	—
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	155,446	756,238	—	—	—	—
Pledges and Contributions	31,069,338	—	481,015	—	79,476	2,887,400
Other	2,903,823	55,728,822	2,076	391	—	805
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	8,533,296	—	4,160,305	—	1,983,247
Inventories	—	—	—	—	—	—
Prepaid Items	288,790	230,885	—	142,017	—	2,818
Other Assets	—	28,325,675	—	—	—	—
Total Current Assets	<u>204,784,807</u>	<u>122,215,325</u>	<u>2,163,516</u>	<u>10,470,038</u>	<u>544,074</u>	<u>11,518,794</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	48,261,818	—	260,554	—	79,394	4,406,044
Other	—	—	—	—	—	—
Investments	187,306,840	55,015,982	71,186,509	—	783,883	35,900,543
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	—	223,082,949	—	123,550,026	—	36,796,860
Other Assets	2,680,881	962,074	65,146	175,000	94	936,400
Non-current Cash (Externally Restricted)	—	2,821,316	—	5,912,403	—	3,526,761
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	952,031,687	5,765,025	—	—	—	—
Capital Assets, net	35,913,480	20,046,315	67,277	5,047,332	—	287,214
Total Non-Current Assets	<u>1,226,194,706</u>	<u>307,693,661</u>	<u>71,579,486</u>	<u>134,684,761</u>	<u>863,371</u>	<u>81,853,822</u>
<b>TOTAL ASSETS</b>	<u>1,430,979,513</u>	<u>429,908,986</u>	<u>73,743,002</u>	<u>145,154,799</u>	<u>1,407,445</u>	<u>93,372,616</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ 14,156,893</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)  
JUNE 30, 2019**

	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Foundation - Dahlonega, Inc.	University of North Georgia Real Estate Foundation, Inc.	University of West Georgia Athletic Foundation, Inc.	University of West Georgia Foundation, Inc.
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 383,591	\$ 2,013,499	\$ 14,531	\$ 2,559,333	\$ 4,700	\$ 578,738
Salaries Payable	—	—	—	—	—	—
Benefits Payable	—	—	—	—	—	—
Contracts Payable	—	—	—	—	—	—
Retainage Payable	—	—	—	—	—	—
Due to Related Parties	7,228,233	58,189,457	151,611	—	—	40,595
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	1,242,449	2,084,538	—	407,215	85,492	480
Deposits	—	28,325,675	—	—	—	—
Deposits Held for Other Organizations	64,065,725	—	—	—	—	783,883
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	514,880	—	—	2,001,000	—	—
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds and Notes Payable	—	9,485,000	—	3,091,368	—	—
Liabilities Under Split Interest Agreements	801,285	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
<b>Total Current Liabilities</b>	<b>74,236,163</b>	<b>100,098,169</b>	<b>166,142</b>	<b>8,058,916</b>	<b>90,192</b>	<b>1,403,696</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	—	—	—	—	—
Due to Other Funds	—	—	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	—	—	—
Other Liabilities	—	—	—	—	—	—
Notes and Loans Payable	—	810,000	—	—	—	37,351,481
Lease Purchase Obligations	—	—	—	—	—	280,889
Revenue Bonds and Notes Payable	—	234,430,567	—	126,029,323	—	38,879,769
Liabilities Under Split Interest Agreements	8,008,355	—	7,978	—	—	90,441
Interest Rate Swap	2,325,789	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	—
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>26,497,209</b>	<b>244,770,910</b>	<b>7,978</b>	<b>126,839,323</b>	<b>—</b>	<b>39,251,099</b>
<b>TOTAL LIABILITIES</b>	<b>100,733,372</b>	<b>344,869,079</b>	<b>174,120</b>	<b>134,898,239</b>	<b>90,192</b>	<b>40,654,795</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	20,901,958	11,530,093	67,277	5,047,332	—	287,214
Restricted for:						
Nonexpendable	643,785,937	—	30,473,913	—	—	21,966,723
Expendable	542,264,019	2,821,234	35,722,774	—	1,177,509	21,410,863
Unrestricted	123,294,227	84,845,473	7,304,918	5,209,228	139,744	9,053,021
<b>TOTAL NET POSITION</b>	<b>\$ 1,330,246,141</b>	<b>\$ 99,196,800</b>	<b>\$ 73,568,882</b>	<b>\$ 10,256,560</b>	<b>\$ 1,317,253</b>	<b>\$ 52,717,821</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	University of West Georgia Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc. & Affiliates	Valdosta State University Auxiliary Services Real Estate Foundation	Valdosta State University Foundation, Inc.	Walter & Emilie Spivey Foundation	Total All CU's & Affiliated Organizations
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 1,116,937	\$ 468,042	\$ 2,606,387	\$ 3,785,536	\$ 31,744	\$ 446,438,155
Cash and Cash Equivalents (Externally Restricted)	5,139,624	16,917,081	—	—	—	122,286,810
Short-term Investments	725,430	—	—	—	—	118,680,283
Short-term Investments (Externally Restricted)	—	—	—	—	—	154,858,150
Accounts Receivable, net						
Federal Financial Assistance	—	—	—	—	—	6,947,257
State General Appropriations	—	—	—	—	—	190,191
Margin Allocation Funds	—	—	—	—	—	—
Related Parties	—	—	—	—	—	24,757,559
Pledges and Contributions	—	123,676	—	442,659	—	104,001,482
Other	—	—	156,762	—	—	416,451,267
Notes Receivable, net	—	—	—	—	—	726,632
Due From Other Funds	—	—	—	—	—	249,362
Investment in Capital Leases	2,887,974	12,796,529	5,248,287	—	—	103,567,925
Inventories	—	—	—	—	—	20,863,400
Prepaid Items	—	22,120	14,880	17,738	—	39,976,509
Other Assets	—	—	—	—	—	30,523,037
Total Current Assets	<u>9,869,965</u>	<u>30,327,448</u>	<u>8,026,316</u>	<u>4,245,933</u>	<u>31,744</u>	<u>1,590,518,019</u>
<b>Non-Current Assets</b>						
Accounts Receivable, net						
Related Parties	—	—	—	—	—	6,927,295
Due From USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Due From Institution - Capital Liability Reserve Fund	—	—	—	—	—	—
Pledges and Contributions	—	1,016,666	—	421,404	—	178,931,822
Other	—	—	—	—	—	51,901,822
Investments	214,820	5,461,737	—	41,711,728	6,285,257	1,397,336,157
Notes Receivable, net	—	—	—	—	—	—
Due From Other Funds	—	—	—	—	—	—
Investment in Capital Leases	111,292,376	382,752,777	160,371,065	—	—	2,580,219,618
Other Assets	—	—	—	873,767	—	49,308,823
Non-current Cash (Externally Restricted)	3,594,696	31,227,850	—	—	—	282,029,694
Short-term Investments (Externally Restricted)	—	—	—	—	—	3,543,390
Investments (Externally Restricted)	—	—	11,496,632	—	—	3,108,681,141
Capital Assets, net	—	2,097,069	227,338	7,075,887	269,567	1,414,211,428
Total Non-Current Assets	<u>115,101,892</u>	<u>422,556,099</u>	<u>172,095,035</u>	<u>50,082,786</u>	<u>6,554,824</u>	<u>9,073,091,190</u>
<b>TOTAL ASSETS</b>	<u>124,971,857</u>	<u>452,883,547</u>	<u>180,121,351</u>	<u>54,328,719</u>	<u>6,586,568</u>	<u>10,663,609,209</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 50,520,218</u>

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)**  
**JUNE 30, 2019**

	University of West Georgia Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc. & Affiliates	Valdosta State University Auxiliary Services Real Estate Foundation	Valdosta State University Foundation, Inc.	Walter & Emilie Spivey Foundation	Total All CU's & Affiliated Organizations
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 1,043,795	\$ 2,892,161	\$ 2,421,583	\$ 97,809	\$ 5,650	\$ 151,651,554
Salaries Payable	—	—	—	—	—	15,136,689
Benefits Payable	—	—	—	—	—	93,124
Contracts Payable	—	451,448	—	—	—	460,198
Retainage Payable	—	—	—	—	—	5,005,761
Due to Related Parties	—	—	—	—	—	327,166,138
Due to Other Funds	—	—	—	—	—	248,609
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	261,963	—	136,705,295
Deposits	—	—	—	—	—	40,386,356
Deposits Held for Other Organizations	—	—	—	103,454	—	112,925,917
Other Liabilities	—	—	—	300,360	—	20,610,751
Notes and Loans Payable	—	37,241,590	—	—	—	103,122,884
Lease Purchase Obligations	—	—	—	—	—	8,983,816
Revenue Bonds and Notes Payable	3,225,000	9,950,000	4,205,000	375,202	—	140,007,279
Liabilities Under Split Interest Agreements	—	—	—	51,576	—	2,564,554
Interest Rate Swap	—	—	—	—	—	—
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	1,000,000
Compensated Absences	—	—	—	—	—	21,530,375
<b>Total Current Liabilities</b>	<b>4,268,795</b>	<b>50,535,199</b>	<b>6,626,583</b>	<b>1,190,364</b>	<b>5,650</b>	<b>1,087,599,300</b>
<b>Non-Current Liabilities</b>						
Due to Related Parties	—	—	—	130,971,547	—	130,971,547
Due to Other Funds	—	—	—	1,672,052	—	1,672,052
Due to USO - Capital Liability Reserve Fund	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	—	22,360,867	—	22,360,867
Other Liabilities	—	—	—	32,399,797	—	32,399,797
Notes and Loans Payable	—	1,029,598	—	207,092,918	—	207,092,918
Lease Purchase Obligations	—	—	—	—	—	74,846,963
Revenue Bonds and Notes Payable	114,947,700	350,691,146	158,332,329	3,038,508	—	3,499,056,046
Liabilities Under Split Interest Agreements	—	—	—	134,132	—	27,801,534
Interest Rate Swap	—	—	4,854,779	—	—	37,493,371
Pollution Remediation	—	—	—	—	—	—
Claims and Judgments	—	—	—	—	—	580,624
Compensated Absences	—	—	—	—	—	—
Net Other Post Employment Benefits Liability	—	—	—	—	—	6,797,377
Net Pension Liability	—	—	—	—	—	—
<b>Total Non-Current Liabilities</b>	<b>114,947,700</b>	<b>388,042,627</b>	<b>163,187,108</b>	<b>4,202,238</b>	<b>—</b>	<b>4,041,073,096</b>
<b>TOTAL LIABILITIES</b>	<b>119,216,495</b>	<b>438,577,826</b>	<b>169,813,691</b>	<b>5,392,602</b>	<b>5,650</b>	<b>5,128,672,396</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>16,363,042</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	—	—	227,338	2,523,634	269,567	374,131,734
Restricted for:						
Nonexpendable	—	471,975	—	46,598,706	—	2,709,940,839
Expendable	—	1,352,979	—	—	—	1,367,048,597
Unrestricted	5,755,362	12,480,767	10,080,322	(186,223)	6,311,351	1,117,972,819
<b>TOTAL NET POSITION</b>	<b>\$ 5,755,362</b>	<b>\$ 14,305,721</b>	<b>\$ 10,307,660</b>	<b>\$ 48,936,117</b>	<b>\$ 6,580,918</b>	<b>\$ 5,569,093,989</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Abraham Baldwin Agricultural College Foundation, Inc. & Subsidiaries	Albany State University Foundation, Inc.	Armstrong State University Foundation, Inc.	Atlanta Metropolitan State College Projects Foundation, Inc.	Atlanta Metropolitan State College Foundation, Inc.
<b>OPERATING REVENUES</b>					
Grants and Contracts					
Federal	\$ —	\$ —	\$ —	\$ —	\$ —
State	—	—	—	—	—
Other	—	—	—	—	—
Sales and Services	236,673	—	—	—	—
Patient Services	—	—	—	—	—
Rents and Royalties	229,037	3,881,256	—	—	—
Auxiliary Enterprises	—	—	—	—	—
Food Services	—	—	—	—	—
Health Services	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—
Gifts and Contributions	2,672,487	1,313,581	1,505,113	801,024	469,025
Endowment Income	700,103	7,069	—	—	—
Other Operating Revenues	49,029	177,759	—	—	—
<b>Total Operating Revenues</b>	<b>3,887,329</b>	<b>5,379,665</b>	<b>1,505,113</b>	<b>801,024</b>	<b>469,025</b>
<b>OPERATING EXPENSES</b>					
Salaries	335,385	456,883	398,382	—	—
Employee Benefits	28,020	—	—	—	—
Other Personal Services	260,315	—	—	—	—
Travel	32,493	17,478	2,373	—	—
Scholarships and Fellowships	717,591	382,454	410,928	—	101,530
Utilities	15,901	—	—	—	—
Supplies and Other Services	1,006,884	1,342,612	170,032	28,031	117,172
Depreciation	99,166	596	—	432,176	—
<b>Total Operating Expenses</b>	<b>2,495,755</b>	<b>2,200,023</b>	<b>981,715</b>	<b>460,207</b>	<b>218,702</b>
Operating Income (Loss)	1,391,574	3,179,642	523,398	340,817	250,323
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State Appropriations	—	—	—	—	—
Grants and Contracts					
Federal	—	—	—	—	—
State	—	—	—	—	—
Other	—	—	—	—	—
Gifts	—	—	—	—	—
Investment Income	438,482	413,644	1,005,145	—	20,655
Interest Expense	(81,961)	(3,143,639)	—	(443,691)	—
Other Nonoperating Revenues (Expenses)	—	(2,915,938)	—	—	—
<b>Net Nonoperating Revenues</b>	<b>356,521</b>	<b>(5,645,933)</b>	<b>1,005,145</b>	<b>(443,691)</b>	<b>20,655</b>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	1,748,095	(2,466,291)	1,528,543	(102,874)	270,978
Capital Grants and Gifts					
Federal	—	—	—	—	—
State	—	—	—	—	—
Other	—	—	—	—	—
Additions to Permanent and Term Endowments	365,834	141,437	—	—	—
Special Item	—	—	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>365,834</b>	<b>141,437</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Change in Net Position</b>	<b>2,113,929</b>	<b>(2,324,854)</b>	<b>1,528,543</b>	<b>(102,874)</b>	<b>270,978</b>
Net Position, Beginning of Year, Restated	30,115,074	10,566,701	14,820,034	(704,652)	474,641
<b>Net Position-End of Year</b>	<b>\$ 32,229,003</b>	<b>\$ 8,241,847</b>	<b>\$ 16,348,577</b>	<b>\$ (807,526)</b>	<b>\$ 745,619</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.



**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	AU Health System Inc	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	Augusta University College of Dental Medicine Faculty Practice Group d/b/a AU Dental Faculty Practice Group	Bainbridge State College Foundation	Clayton State University Foundation, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ 667,250	\$ —	\$ 49,041,572	\$ —	\$ —	\$ —
State	—	—	—	—	—	—
Other	—	26,536	11,293,495	—	—	—
Sales and Services	60,763,027	685,198	—	11,742,133	—	—
Patient Services	804,178,864	—	—	—	—	—
Rents and Royalties	1,003,935	172,516	904,575	—	—	795,161
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	—	2,463,215	—	—	253,828	1,119,735
Endowment Income	—	1,748,811	—	—	—	—
Other Operating Revenues	—	—	—	—	—	77,082
<b>Total Operating Revenues</b>	<b>866,613,076</b>	<b>5,096,276</b>	<b>61,239,642</b>	<b>11,742,133</b>	<b>253,828</b>	<b>1,991,978</b>
<b>OPERATING EXPENSES</b>						
Salaries	291,359,223	1,171,074	—	—	—	162,874
Employee Benefits	76,950,571	329,444	—	—	—	—
Other Personal Services	156,834,367	129,890	—	—	—	—
Travel	1,341,565	183,877	—	—	—	120,374
Scholarships and Fellowships	1,096,824	582,643	—	—	—	825,061
Utilities	4,389,973	—	—	—	—	—
Supplies and Other Services	356,966,988	1,236,657	60,204,418	12,425,988	154,068	1,369,702
Depreciation	37,115,718	—	—	—	—	334,693
<b>Total Operating Expenses</b>	<b>926,055,229</b>	<b>3,633,585</b>	<b>60,204,418</b>	<b>12,425,988</b>	<b>154,068</b>	<b>2,812,704</b>
Operating Income (Loss)	(59,442,153)	1,462,691	1,035,224	(683,855)	99,760	(820,726)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	31,992,211	—	—	—	—	—
Grants and Contracts						
Federal	2,955,709	—	—	—	—	—
State	3,430,939	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	3,077,450	1,078,760	308,973	1,036,119	—	3,403,559
Interest Expense	(9,556,881)	(853,007)	—	—	28,291	(2,892,893)
Other Nonoperating Revenues (Expenses)	(9,673,002)	—	(2,028)	—	—	—
<b>Net Nonoperating Revenues</b>	<b>22,226,426</b>	<b>225,753</b>	<b>306,945</b>	<b>1,036,119</b>	<b>28,291</b>	<b>510,666</b>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(37,215,727)	1,688,444	1,342,169	352,264	128,051	(310,060)
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	998,143	—	—	—	—	—
Additions to Permanent and Term Endowments	—	293,262	—	—	—	—
Special Item	—	—	—	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>998,143</b>	<b>293,262</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Change in Net Position	(36,217,584)	1,981,706	1,342,169	352,264	128,051	(310,060)
Net Position, Beginning of Year, Restated	334,311,503	37,908,340	8,525,921	2,553,228	2,263,349	11,297,453
Net Position-End of Year	\$ 298,093,919	\$ 39,890,046	\$ 9,868,090	\$ 2,905,492	\$ 2,391,400	\$ 10,987,393

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	College of Coastal Georgia Foundation, Inc.	Columbus State University Alumni Association, Inc.	Columbus State University Athletic Fund, Inc.	Columbus State University Foundation, Inc.	Columbus State University Research & Service Foundation	Dalton State College Athletic Club
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Sales and Services	—	19,423	32,800	1,375,441	—	—
Patient Services	—	—	—	—	—	—
Rents and Royalties	39,350	—	—	132,424	469	—
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	493,465	51,100	243,288	6,667,144	40	—
Endowment Income	406,211	—	—	5,406,970	—	—
Other Operating Revenues	—	4,075	—	36,641	—	6,252
Total Operating Revenues	<u>939,026</u>	<u>74,598</u>	<u>276,088</u>	<u>13,618,620</u>	<u>509</u>	<u>6,252</u>
<b>OPERATING EXPENSES</b>						
Salaries	140,963	5,000	—	1,421,956	—	—
Employee Benefits	6,943	—	—	133,169	—	—
Other Personal Services	—	—	—	—	—	—
Travel	47,878	—	8,045	293,537	—	—
Scholarships and Fellowships	895,949	6,250	106,130	1,492,050	—	—
Utilities	—	—	—	—	—	—
Supplies and Other Services	293,002	73,903	113,306	5,492,968	555	11,805
Depreciation	42,690	—	—	18,510	—	80,148
Total Operating Expenses	<u>1,427,425</u>	<u>85,153</u>	<u>227,481</u>	<u>8,852,190</u>	<u>555</u>	<u>91,953</u>
Operating Income (Loss)	<u>(488,399)</u>	<u>(10,555)</u>	<u>48,607</u>	<u>4,766,430</u>	<u>(46)</u>	<u>(85,701)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	(620,602)	17,438	377,642	—	—	—
Interest Expense	—	—	—	—	—	—
Other Nonoperating Revenues (Expenses)	—	—	—	—	—	2,795
Net Nonoperating Revenues	<u>(620,602)</u>	<u>17,438</u>	<u>377,642</u>	<u>—</u>	<u>—</u>	<u>2,795</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>(1,109,001)</u>	<u>6,883</u>	<u>426,249</u>	<u>4,766,430</u>	<u>(46)</u>	<u>(82,906)</u>
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	215,907	—	1,050	1,624,704	—	—
Special Item	—	—	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	<u>215,907</u>	<u>—</u>	<u>1,050</u>	<u>1,624,704</u>	<u>—</u>	<u>—</u>
Change in Net Position	<u>(893,094)</u>	<u>6,883</u>	<u>427,299</u>	<u>6,391,134</u>	<u>(46)</u>	<u>(82,906)</u>
Net Position, Beginning of Year, Restated	<u>17,263,268</u>	<u>388,756</u>	<u>2,412,121</u>	<u>98,932,570</u>	<u>2,550</u>	<u>1,229,042</u>
Net Position-End of Year	<u>\$ 16,370,174</u>	<u>\$ 395,639</u>	<u>\$ 2,839,420</u>	<u>\$ 105,323,704</u>	<u>\$ 2,504</u>	<u>\$ 1,146,136</u>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BY AFFILIATED ORGANIZATION (Unaudited)**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Dalton State College Foundation, Inc.	Darton Boosters, Inc.	Darton State College Foundation, Inc.	East Georgia State College Foundation, Inc.	Fort Valley State University Foundation, Inc.	Foundation Properties, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Sales and Services	—	—	—	—	—	—
Patient Services	—	—	—	—	—	—
Rents and Royalties	—	1,814,057	24,000	—	1,237,319	5,809,939
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	1,130,286	—	111,151	216,499	1,428,906	97,331
Endowment Income	—	—	—	—	—	—
Other Operating Revenues	(79,301)	—	18,770	107,826	—	2,367
<b>Total Operating Revenues</b>	<b>1,050,985</b>	<b>1,814,057</b>	<b>153,921</b>	<b>324,325</b>	<b>2,666,225</b>	<b>5,909,637</b>
<b>OPERATING EXPENSES</b>						
Salaries	290,823	—	—	—	—	251,197
Employee Benefits	—	—	—	—	—	33,721
Other Personal Services	—	—	—	—	—	—
Travel	—	—	—	4,456	—	45
Scholarships and Fellowships	656,335	—	63,093	308,466	751,275	—
Utilities	—	—	—	4,936	—	32,107
Supplies and Other Services	3,351,273	33,496	91,405	144,095	498,322	876,122
Depreciation	5,214	—	4,469	8,776	44,477	2,227,252
<b>Total Operating Expenses</b>	<b>4,303,645</b>	<b>33,496</b>	<b>158,967</b>	<b>470,729</b>	<b>1,294,074</b>	<b>3,420,444</b>
Operating Income (Loss)	(3,252,660)	1,780,561	(5,046)	(146,404)	1,372,151	2,489,193
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	(854,439)	35,448	223,544	55,991	(312,308)	284,313
Interest Expense	(53,080)	(1,626,758)	—	—	(720,512)	(2,209,517)
Other Nonoperating Revenues (Expenses)	—	—	—	—	—	(128,771)
<b>Net Nonoperating Revenues</b>	<b>(907,519)</b>	<b>(1,591,310)</b>	<b>223,544</b>	<b>55,991</b>	<b>(1,032,820)</b>	<b>(2,053,975)</b>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(4,160,179)	189,251	218,498	(90,413)	339,331	435,218
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	2,611,137	—	—	1,270	689,002	—
Special Item	—	—	—	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>2,611,137</b>	<b>—</b>	<b>—</b>	<b>1,270</b>	<b>689,002</b>	<b>—</b>
Change in Net Position	(1,549,042)	189,251	218,498	(89,143)	1,028,333	435,218
Net Position, Beginning of Year, Restated	33,667,947	2,856,199	5,025,787	2,742,222	13,530,478	24,004,467
Net Position-End of Year	\$ 32,118,905	\$ 3,045,450	\$ 5,244,285	\$ 2,653,079	\$ 14,558,811	\$ 24,439,685

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Alumni Association, Inc.	Georgia College & State University Foundation	Georgia Gwinnett College Foundation, Inc.	Georgia Health Sciences Foundation, Inc.	Georgia Highlands College Foundation, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State	—	—	—	—	—	—
Other	27,576	—	—	—	573,543	—
Sales and Services	245,288	—	—	40,893	403,278	22,140
Patient Services	—	—	—	—	—	—
Rents and Royalties	13,200,977	—	4,793,939	8,641,953	12,300	1,024,821
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	232,200	159,487	2,030,399	585,392	9,085,214	335,741
Endowment Income	—	—	892,193	—	145,955	118,958
Other Operating Revenues	810,140	124,275	370,921	—	—	—
Total Operating Revenues	<u>14,516,181</u>	<u>283,762</u>	<u>8,087,452</u>	<u>9,268,238</u>	<u>10,220,290</u>	<u>1,501,660</u>
<b>OPERATING EXPENSES</b>						
Salaries	384,665	99,300	498,183	—	—	72,849
Employee Benefits	—	—	—	—	—	—
Other Personal Services	—	—	—	17,683	875,551	—
Travel	—	646	101,644	142,367	162,825	—
Scholarships and Fellowships	—	266,864	827,873	264,900	1,025,198	101,878
Utilities	37,418	—	—	—	—	—
Supplies and Other Services	6,650,904	166,546	2,748,323	1,518,061	7,941,531	201,626
Depreciation	2,618,182	—	1,074	457	—	155
Total Operating Expenses	<u>9,691,169</u>	<u>533,356</u>	<u>4,177,097</u>	<u>1,943,468</u>	<u>10,005,105</u>	<u>376,508</u>
Operating Income (Loss)	<u>4,825,012</u>	<u>(249,594)</u>	<u>3,910,355</u>	<u>7,324,770</u>	<u>215,185</u>	<u>1,125,152</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	260,379	239,488	(500,333)	470,687	395,465	(28,046)
Interest Expense	(3,197,663)	—	(3,967,057)	(5,903,990)	—	(828,088)
Other Nonoperating Revenues (Expenses)	27,455,348	—	(4,200)	—	—	—
Net Nonoperating Revenues	<u>24,518,064</u>	<u>239,488</u>	<u>(4,471,590)</u>	<u>(5,433,303)</u>	<u>395,465</u>	<u>(856,134)</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>29,343,076</u>	<u>(10,106)</u>	<u>(561,235)</u>	<u>1,891,467</u>	<u>610,650</u>	<u>269,018</u>
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	—	(146,254)	1,516,507	1,412,040	167,785	5,095
Special Item	—	—	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	<u>—</u>	<u>(146,254)</u>	<u>1,516,507</u>	<u>1,412,040</u>	<u>167,785</u>	<u>5,095</u>
Change in Net Position	<u>29,343,076</u>	<u>(156,360)</u>	<u>955,272</u>	<u>3,303,507</u>	<u>778,435</u>	<u>274,113</u>
Net Position, Beginning of Year, Restated	<u>29,247,662</u>	<u>9,244,467</u>	<u>34,327,313</u>	<u>13,875,463</u>	<u>21,042,143</u>	<u>4,180,345</u>
Net Position-End of Year	<u>\$ 58,590,738</u>	<u>\$ 9,088,107</u>	<u>\$ 35,282,585</u>	<u>\$ 17,178,970</u>	<u>\$ 21,820,578</u>	<u>\$ 4,454,458</u>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia Southern University Athletic Foundation, Inc.	Georgia Southern University Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia Southern University Research & Service Foundation, Inc.	Georgia Southwestern State University Foundation, Inc.	Georgia State University Alumni Association, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ 5,229,422	\$ —	\$ —
State	—	—	—	488,614	—	—
Other	—	—	—	775,893	—	—
Sales and Services	—	—	—	5,662,373	277,859	494,730
Patient Services	—	—	—	—	—	—
Rents and Royalties	1,325,843	—	10,907,866	—	—	—
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	2,796,140	7,107,594	—	—	1,664,843	142,093
Endowment Income	45,079	1,801,961	—	—	—	—
Other Operating Revenues	333,413	626,480	1,726,951	3,874	207,730	81,664
<b>Total Operating Revenues</b>	<b>4,500,475</b>	<b>9,536,035</b>	<b>12,634,817</b>	<b>12,160,176</b>	<b>2,150,432</b>	<b>718,487</b>
<b>OPERATING EXPENSES</b>						
Salaries	909,853	3,786,928	—	—	198,640	139,226
Employee Benefits	—	25,118	—	—	26,640	—
Other Personal Services	343,646	1,027,297	323,230	113,599	858,444	—
Travel	—	527,633	—	1,125	78,053	25,490
Scholarships and Fellowships	1,003,000	2,395,260	—	—	972,213	44,727
Utilities	—	—	—	—	2,641	—
Supplies and Other Services	2,235,656	1,396,824	2,309,799	11,978,843	1,646,484	482,406
Depreciation	340,257	38,971	—	—	828	7,763
<b>Total Operating Expenses</b>	<b>4,832,412</b>	<b>9,198,031</b>	<b>2,633,029</b>	<b>12,093,567</b>	<b>3,783,943</b>	<b>699,612</b>
Operating Income (Loss)	(331,937)	338,004	10,001,788	66,609	(1,633,511)	18,875
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	59,063	453,269	618,419	3,765	2,499,410	63,105
Interest Expense	(835,070)	(2,066)	(8,398,868)	—	—	—
Other Nonoperating Revenues (Expenses)	—	—	—	—	—	—
<b>Net Nonoperating Revenues</b>	<b>(776,007)</b>	<b>451,203</b>	<b>(7,780,449)</b>	<b>3,765</b>	<b>2,499,410</b>	<b>63,105</b>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(1,107,944)	789,207	2,221,339	70,374	865,899	81,980
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	79,550	6,378,704	—	—	369,995	—
Special Item	—	—	—	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>79,550</b>	<b>6,378,704</b>	<b>—</b>	<b>—</b>	<b>369,995</b>	<b>—</b>
Change in Net Position	(1,028,394)	7,167,911	2,221,339	70,374	1,235,894	81,980
Net Position, Beginning of Year, Restated	14,532,856	67,972,886	30,610,426	3,162,174	37,322,329	1,913,167
Net Position-End of Year	\$ 13,504,462	\$ 75,140,797	\$ 32,831,765	\$ 3,232,548	\$ 38,558,223	\$ 1,995,147

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia State University Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Alumni Association	Georgia Tech Athletic Association	Georgia Tech Facilities, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ 72,228,675	\$ —	\$ —	\$ —
State	—	—	1,451,137	—	—	—
Other	—	—	18,144,652	—	—	571,661
Sales and Services	24,607,707	—	—	87,751	56,398,194	594,896
Patient Services	—	—	—	—	—	—
Rents and Royalties	974,893	18,001,804	3,134,301	229,039	9,280,181	14,030,980
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	6,713,238	20,275,927	—	5,960,810	3,528,289	—
Endowment Income	—	6,380,200	—	—	—	—
Other Operating Revenues	3,260,408	3,103,029	—	567,028	—	—
Total Operating Revenues	<u>35,556,246</u>	<u>47,760,960</u>	<u>94,958,765</u>	<u>6,844,628</u>	<u>69,206,664</u>	<u>15,197,537</u>
<b>OPERATING EXPENSES</b>						
Salaries	8,928,818	2,436,678	—	3,882,351	—	—
Employee Benefits	2,608,630	—	—	784,386	—	—
Other Personal Services	—	—	—	—	—	—
Travel	2,549,098	1,413,133	74,130	241,806	6,541,114	—
Scholarships and Fellowships	7,923,239	7,994,573	—	3,013	12,213,964	—
Utilities	1,783,820	—	6,651	—	—	193,750
Supplies and Other Services	14,521,134	40,503,112	91,833,484	1,996,257	58,043,026	2,755,877
Depreciation	91,622	647,101	707,419	72,079	7,709,956	—
Total Operating Expenses	<u>38,406,361</u>	<u>52,994,597</u>	<u>92,621,684</u>	<u>6,979,892</u>	<u>84,508,060</u>	<u>2,949,627</u>
Operating Income (Loss)	<u>(2,850,115)</u>	<u>(5,233,637)</u>	<u>2,337,081</u>	<u>(135,264)</u>	<u>(15,301,396)</u>	<u>12,247,910</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	750,000	—	907,869	—
Investment Income	41,682	6,948,382	748,849	12,901	7,264,560	600,851
Interest Expense	—	(3,770,674)	(2,687,677)	—	(12,735,466)	(11,832,439)
Other Nonoperating Revenues (Expenses)	—	—	732,244	—	—	(18,211)
Net Nonoperating Revenues	<u>41,682</u>	<u>3,177,708</u>	<u>(456,584)</u>	<u>12,901</u>	<u>(4,563,037)</u>	<u>(11,249,799)</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>(2,808,433)</u>	<u>(2,055,929)</u>	<u>1,880,497</u>	<u>(122,363)</u>	<u>(19,864,433)</u>	<u>998,111</u>
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	17,468,594	—
Additions to Permanent and Term Endowments	—	—	—	—	2,335,080	—
Special Item	—	—	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,803,674</u>	<u>—</u>
Change in Net Position	<u>(2,808,433)</u>	<u>(2,055,929)</u>	<u>1,880,497</u>	<u>(122,363)</u>	<u>(60,759)</u>	<u>998,111</u>
Net Position, Beginning of Year, Restated	<u>15,127,840</u>	<u>270,459,653</u>	<u>26,425,434</u>	<u>643,645</u>	<u>72,138,452</u>	<u>39,385,755</u>
Net Position-End of Year	<u>\$ 12,319,407</u>	<u>\$ 268,403,724</u>	<u>\$ 28,305,931</u>	<u>\$ 521,282</u>	<u>\$ 72,077,693</u>	<u>\$ 40,383,866</u>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Georgia Tech Foundation, Inc.	Georgia Tech Global, Inc.	Georgia Tech Research Corporation	Global Center for Medical Innovation, Inc.	Gordon State College Foundation, Inc. & Subsidiaries	IgniteHQ
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ 1,218,097	\$ 726,175,147	\$ 87,679	\$ —	—
State	—	—	12,748,514	—	—	81,226
Other	—	—	93,274,355	—	—	539,372
Sales and Services	60,000	—	—	7,111,527	—	221,390
Patient Services	—	—	—	—	—	—
Rents and Royalties	30,360,000	—	14,003,106	—	1,496,266	—
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	56,873,000	691,900	—	200,000	404,850	15,093
Endowment Income	58,329,751	—	—	—	454,058	—
Other Operating Revenues	—	649	—	—	25,254	—
Total Operating Revenues	<u>145,622,751</u>	<u>1,910,646</u>	<u>846,201,122</u>	<u>7,399,206</u>	<u>2,380,428</u>	<u>857,081</u>
<b>OPERATING EXPENSES</b>						
Salaries	2,449,000	489,359	—	3,491,320	128,297	288,635
Employee Benefits	706,000	—	—	1,014,168	—	56,444
Other Personal Services	101,000	61,950	—	163,454	—	—
Travel	79,000	—	112,207	133,990	—	—
Scholarships and Fellowships	—	—	—	—	231,763	—
Utilities	944,000	9,800	—	238,653	—	—
Supplies and Other Services	102,127,000	231,368	837,655,776	3,252,089	253,363	1,028,958
Depreciation	3,091,000	38,282	232,952	893,385	—	80,243
Total Operating Expenses	<u>109,497,000</u>	<u>830,759</u>	<u>838,000,935</u>	<u>9,187,059</u>	<u>613,423</u>	<u>1,454,280</u>
Operating Income (Loss)	<u>36,125,751</u>	<u>1,079,887</u>	<u>8,200,187</u>	<u>(1,787,853)</u>	<u>1,767,005</u>	<u>(597,199)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	41,738,249	—	552,444	1,643	(1,145,331)	—
Interest Expense	(13,089,000)	—	—	(1,850)	(1,221,404)	—
Other Nonoperating Revenues (Expenses)	—	(1,156,141)	—	(61,403)	(3,335,502)	(267,680)
Net Nonoperating Revenues	<u>28,649,249</u>	<u>(1,156,141)</u>	<u>552,444</u>	<u>(61,610)</u>	<u>(5,702,237)</u>	<u>(267,680)</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>64,775,000</u>	<u>(76,254)</u>	<u>8,752,631</u>	<u>(1,849,463)</u>	<u>(3,935,232)</u>	<u>(864,879)</u>
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	23,754,000	—	—	—	155,157	—
Special Item	—	—	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	<u>23,754,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>155,157</u>	<u>—</u>
Change in Net Position	<u>88,529,000</u>	<u>(76,254)</u>	<u>8,752,631</u>	<u>(1,849,463)</u>	<u>(3,780,075)</u>	<u>(864,879)</u>
Net Position, Beginning of Year, Restated	<u>1,693,434,000</u>	<u>345,720</u>	<u>64,279,468</u>	<u>9,444,347</u>	<u>17,067,329</u>	<u>1,349,412</u>
Net Position-End of Year	<u>\$ 1,781,963,000</u>	<u>\$ 269,466</u>	<u>\$ 73,032,099</u>	<u>\$ 7,594,884</u>	<u>\$ 13,287,254</u>	<u>\$ 484,533</u>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	James M. Dye Foundation, Inc.	Kennesaw State University Alumni Association, Inc.	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Kennesaw State University Research & Service Foundation, Inc.	Medical College of Georgia Foundation
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ —	\$ 4,939,207	\$ —
State	—	—	—	—	121,274	—
Other	—	—	1,094,896	—	2,007,693	—
Sales and Services	—	—	—	350,540	590,893	—
Patient Services	—	—	—	—	—	—
Rents and Royalties	—	—	—	40,762,497	88,003	18,591
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	2,627,737	—	—	—
Gifts and Contributions	60,439	—	8,301,477	5,620,442	521,580	1,034,455
Endowment Income	—	4,531	—	1,179,819	—	6,261,026
Other Operating Revenues	—	67,019	1,137,489	—	17,386	442,972
Total Operating Revenues	<u>60,439</u>	<u>71,550</u>	<u>13,161,599</u>	<u>47,913,298</u>	<u>8,286,036</u>	<u>7,757,044</u>
<b>OPERATING EXPENSES</b>						
Salaries	—	300,220	869,972	3,068,011	3,728,832	3,690,190
Employee Benefits	—	—	—	—	—	94,304
Other Personal Services	—	—	—	46,988	2,016,258	—
Travel	—	—	804,714	3,061	431,518	183,585
Scholarships and Fellowships	95,476	4,000	1,716,389	2,622,282	—	2,200,954
Utilities	—	—	—	2,616,619	—	49,909
Supplies and Other Services	—	112,237	8,783,438	16,098,001	1,949,800	3,727,680
Depreciation	—	—	312,753	5,037,407	—	55,202
Total Operating Expenses	<u>95,476</u>	<u>416,457</u>	<u>12,487,266</u>	<u>29,492,369</u>	<u>8,126,408</u>	<u>10,001,824</u>
Operating Income (Loss)	<u>(35,037)</u>	<u>(344,907)</u>	<u>674,333</u>	<u>18,420,929</u>	<u>159,628</u>	<u>(2,244,780)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	332,630	—	—	—	—
Investment Income	136,116	5,878	—	2,928,319	126,010	5,718,559
Interest Expense	—	—	(26,431)	(12,889,878)	—	—
Other Nonoperating Revenues (Expenses)	—	—	—	(1,031,791)	—	—
Net Nonoperating Revenues	<u>136,116</u>	<u>338,508</u>	<u>(26,431)</u>	<u>(10,993,350)</u>	<u>126,010</u>	<u>5,718,559</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>101,079</u>	<u>(6,399)</u>	<u>647,902</u>	<u>7,427,579</u>	<u>285,638</u>	<u>3,473,779</u>
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	33,769	—	—	2,199,101	—	2,882,525
Special Item	—	—	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	<u>33,769</u>	<u>—</u>	<u>—</u>	<u>2,199,101</u>	<u>—</u>	<u>2,882,525</u>
Change in Net Position	<u>134,848</u>	<u>(6,399)</u>	<u>647,902</u>	<u>9,626,680</u>	<u>285,638</u>	<u>6,356,304</u>
Net Position, Beginning of Year, Restated	<u>2,478,733</u>	<u>410,471</u>	<u>5,377,717</u>	<u>73,909,602</u>	<u>2,192,152</u>	<u>257,653,333</u>
Net Position-End of Year	<u>\$ 2,613,581</u>	<u>\$ 404,072</u>	<u>\$ 6,025,619</u>	<u>\$ 83,536,282</u>	<u>\$ 2,477,790</u>	<u>\$ 264,009,637</u>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.



**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	Middle Georgia State University Foundation, Inc. & Subsidiaries	Middle Georgia State University Real Estate Foundation, Inc.	Savannah State University Foundation, Inc. & Subsidiaries	South Georgia State College Foundation, Inc. & Subsidiaries	Southern Polytechnic Applied Research Corporation	University of Georgia Athletic Association, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ —	\$ 61,749	\$ —
State	—	—	—	—	117,158	—
Other	—	—	—	—	46,907	—
Sales and Services	—	—	—	—	—	154,272,670
Patient Services	—	—	—	—	—	—
Rents and Royalties	—	1,778,078	4,890,448	—	—	—
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	—
Gifts and Contributions	2,479,874	—	292,490	7,514	—	—
Endowment Income	—	—	7,009	—	—	—
Other Operating Revenues	138,254	—	—	—	32,150	—
Total Operating Revenues	<u>2,618,128</u>	<u>1,778,078</u>	<u>5,189,947</u>	<u>7,514</u>	<u>257,964</u>	<u>154,272,670</u>
<b>OPERATING EXPENSES</b>						
Salaries	—	—	—	—	—	16,408,414
Employee Benefits	—	—	—	—	—	495,616
Other Personal Services	—	—	—	—	—	—
Travel	—	—	—	—	—	10,524,203
Scholarships and Fellowships	334,521	—	517,850	227,651	—	—
Utilities	—	—	—	—	—	—
Supplies and Other Services	1,075,890	1,703,366	391,246	—	637,272	110,784,142
Depreciation	—	—	—	—	—	11,294,829
Total Operating Expenses	<u>1,410,411</u>	<u>1,703,366</u>	<u>909,096</u>	<u>227,651</u>	<u>637,272</u>	<u>149,507,204</u>
Operating Income (Loss)	<u>1,207,717</u>	<u>74,712</u>	<u>4,280,851</u>	<u>(220,137)</u>	<u>(379,308)</u>	<u>4,765,466</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	16,010,600
Investment Income	(610,715)	55,150	1,930	106,531	—	1,437,603
Interest Expense	—	(1,132,057)	(6,117,316)	90,630	—	(3,379,796)
Other Nonoperating Revenues (Expenses)	—	—	—	—	(254,238)	1,109,233
Net Nonoperating Revenues	<u>(610,715)</u>	<u>(1,076,907)</u>	<u>(6,115,386)</u>	<u>197,161</u>	<u>(254,238)</u>	<u>15,177,640</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>597,002</u>	<u>(1,002,195)</u>	<u>(1,834,535)</u>	<u>(22,976)</u>	<u>(633,546)</u>	<u>19,943,106</u>
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	147,688	—	—	223,425	—	—
Special Item	—	—	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	<u>147,688</u>	<u>—</u>	<u>—</u>	<u>223,425</u>	<u>—</u>	<u>—</u>
Change in Net Position	<u>744,690</u>	<u>(1,002,195)</u>	<u>(1,834,535)</u>	<u>200,449</u>	<u>(633,546)</u>	<u>19,943,106</u>
Net Position, Beginning of Year, Restated	<u>13,188,398</u>	<u>6,694,583</u>	<u>4,229,925</u>	<u>5,145,837</u>	<u>719,217</u>	<u>270,088,675</u>
Net Position-End of Year	<u>\$ 13,933,088</u>	<u>\$ 5,692,388</u>	<u>\$ 2,395,390</u>	<u>\$ 5,346,286</u>	<u>\$ 85,671</u>	<u>\$ 290,031,781</u>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Foundation - Dahlonega, Inc.	University of North Georgia Real Estate Foundation, Inc.	University of West Georgia Athletic Foundation, Inc.	University of West Georgia Foundation, Inc.
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ 124,848,247	\$ —	\$ —	\$ —	\$ —
State	—	6,169,886	—	—	—	—
Other	—	52,399,556	—	—	—	—
Sales and Services	11,018,437	—	—	—	—	100,000
Patient Services	—	—	—	—	—	—
Rents and Royalties	1,117,504	27,785,611	58,000	6,553,011	—	2,783,110
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	257,057	—
Gifts and Contributions	72,700,642	—	3,615,785	115,275	905,857	5,772,178
Endowment Income	33,155,856	—	2,442,057	—	—	788,885
Other Operating Revenues	—	—	—	—	84,979	47
<b>Total Operating Revenues</b>	<b>117,992,439</b>	<b>211,203,300</b>	<b>6,115,842</b>	<b>6,668,286</b>	<b>1,247,893</b>	<b>9,444,220</b>
<b>OPERATING EXPENSES</b>						
Salaries	4,024,499	—	541,260	112,148	300,957	1,826,331
Employee Benefits	—	—	—	—	—	—
Other Personal Services	—	—	—	—	—	—
Travel	281,104	—	444,730	—	1,774	84,082
Scholarships and Fellowships	77,000	—	2,683,631	—	153,500	1,390,877
Utilities	—	—	—	—	—	—
Supplies and Other Services	82,321,284	197,860,655	1,072,668	723,517	915,747	5,377,310
Depreciation	1,234,672	114,324	27,013	145,467	—	65,838
<b>Total Operating Expenses</b>	<b>87,938,559</b>	<b>197,974,979</b>	<b>4,769,302</b>	<b>981,132</b>	<b>1,371,978</b>	<b>8,744,438</b>
Operating Income (Loss)	30,053,880	13,228,321	1,346,540	5,687,154	(124,085)	699,782
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	—
Grants and Contracts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	—
Investment Income	18,230,068	2,874,824	2,316,525	19,300	33,034	1,264,044
Interest Expense	(1,055,888)	(9,901,906)	(78,985)	(3,506,754)	—	(1,901,929)
Other Nonoperating Revenues (Expenses)	733,491	(18,190)	—	—	—	—
<b>Net Nonoperating Revenues</b>	<b>17,907,671</b>	<b>(7,045,272)</b>	<b>2,237,540</b>	<b>(3,487,454)</b>	<b>33,034</b>	<b>(637,885)</b>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	47,961,551	6,183,049	3,584,080	2,199,700	(91,051)	61,897
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	—
Additions to Permanent and Term Endowments	46,346,128	—	1,646,213	—	—	1,093,631
Special Item	—	—	—	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>46,346,128</b>	<b>—</b>	<b>1,646,213</b>	<b>—</b>	<b>—</b>	<b>1,093,631</b>
Change in Net Position	94,307,679	6,183,049	5,230,293	2,199,700	(91,051)	1,155,528
Net Position, Beginning of Year, Restated	1,235,938,462	93,013,751	68,338,589	8,056,860	1,408,304	51,562,293
Net Position-End of Year	\$ 1,330,246,141	\$ 99,196,800	\$ 73,568,882	\$ 10,256,560	\$ 1,317,253	\$ 52,717,821

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	University of West Georgia Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc. & Affiliates	Valdosta State University Auxiliary Services Real Estate Foundation	Valdosta State University Foundation, Inc.	Walter & Emilie Spivey Foundation	Total All CU's & Affiliated Organizations
<b>OPERATING REVENUES</b>						
Grants and Contracts						
Federal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 984,497,045
State	—	—	—	—	—	21,177,809
Other	—	75,000	—	—	—	180,851,135
Sales and Services	—	546,903	—	371,211	—	338,333,375
Patient Services	—	—	—	—	—	804,178,864
Rents and Royalties	6,194,639	19,652,389	6,393,317	516,296	—	266,053,801
Auxiliary Enterprises						
Food Services	—	—	—	—	—	—
Health Services	—	—	—	—	—	—
Intercollegiate Athletics	—	—	—	—	—	2,884,794
Gifts and Contributions	—	2,204,808	95,811	122,673	—	243,690,728
Endowment Income	—	308,271	—	—	—	120,584,773
Other Operating Revenues	—	—	1,030,732	20,074	883	14,614,301
<b>Total Operating Revenues</b>	<b>6,194,639</b>	<b>22,787,371</b>	<b>7,519,860</b>	<b>1,030,254</b>	<b>883</b>	<b>2,976,866,625</b>
<b>OPERATING EXPENSES</b>						
Salaries	—	390,354	—	—	9,000	359,448,050
Employee Benefits	—	—	—	—	—	83,293,174
Other Personal Services	—	—	—	36,035	—	163,209,707
Travel	—	31,538	—	114,844	—	27,141,535
Scholarships and Fellowships	—	1,514,135	—	1,144,607	50,830	58,398,747
Utilities	—	—	—	283	—	10,326,461
Supplies and Other Services	436,209	1,117,347	1,125,238	2,929,659	99,178	2,078,723,135
Depreciation	—	—	—	213,642	—	75,486,758
<b>Total Operating Expenses</b>	<b>436,209</b>	<b>3,053,374</b>	<b>1,125,238</b>	<b>4,439,070</b>	<b>159,008</b>	<b>2,856,027,567</b>
<b>Operating Income (Loss)</b>	<b>5,758,430</b>	<b>19,733,997</b>	<b>6,394,622</b>	<b>(3,408,816)</b>	<b>(158,125)</b>	<b>120,839,058</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
State Appropriations	—	—	—	—	—	31,992,211
Grants and Contracts						
Federal	—	—	—	—	—	2,955,709
State	—	—	—	—	—	3,430,939
Other	—	—	—	—	—	—
Gifts	—	—	—	—	—	18,001,099
Investment Income	210,178	198,717	85,895	(3,245,887)	(316,918)	102,863,876
Interest Expense	(4,958,664)	(14,691,346)	(5,650,765)	(159,998)	—	(155,386,043)
Other Nonoperating Revenues (Expenses)	—	(6,177,358)	—	—	—	4,988,658
<b>Net Nonoperating Revenues</b>	<b>(4,748,486)</b>	<b>(20,669,987)</b>	<b>(5,564,870)</b>	<b>(3,405,885)</b>	<b>(316,918)</b>	<b>8,846,449</b>
<b>Income (Loss) Before Other Revenues, Expenses, Gains, or Losses</b>	<b>1,009,944</b>	<b>(935,990)</b>	<b>829,752</b>	<b>(6,814,701)</b>	<b>(475,043)</b>	<b>129,685,507</b>
Capital Grants and Gifts						
Federal	—	—	—	—	—	—
State	—	—	—	—	—	—
Other	—	—	—	—	—	18,466,737
Additions to Permanent and Term Endowments	—	47,977	—	5,525,634	—	102,117,353
Special Item	—	—	—	—	—	—
<b>Total Other Revenues, Expenses, Gains or Losses</b>	<b>—</b>	<b>47,977</b>	<b>—</b>	<b>5,525,634</b>	<b>—</b>	<b>120,584,090</b>
<b>Change in Net Position</b>	<b>1,009,944</b>	<b>(888,013)</b>	<b>829,752</b>	<b>(1,289,067)</b>	<b>(475,043)</b>	<b>250,269,597</b>
<b>Net Position, Beginning of Year, Restated</b>	<b>4,745,418</b>	<b>15,193,734</b>	<b>9,477,908</b>	<b>50,225,184</b>	<b>7,055,961</b>	<b>5,318,824,392</b>
<b>Net Position-End of Year</b>	<b>\$ 5,755,362</b>	<b>\$ 14,305,721</b>	<b>\$ 10,307,660</b>	<b>\$ 48,936,117</b>	<b>\$ 6,580,918</b>	<b>\$ 5,569,093,989</b>

See Notes to Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position by Affiliated Organization.

**UNIVERSITY SYSTEM OF GEORGIA  
NOTES TO STATEMENT OF NET POSITION AND STATEMENT  
OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BY AFFILIATED ORGANIZATION (Unaudited)  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

Fiscal Year End for a few of the affiliated organizations differ from the June 30, 2019 Year End.

The following organizations have a Fiscal Year End of July 31, 2018:

- Columbus State University Alumni Association, Inc.
- Columbus State University Athletic Fund, Inc.
- Columbus State University Foundation, Inc.
- Columbus State University Research & Service Foundation, Inc.
- Foundation Properties, Inc.

The following organizations have a Fiscal Year End of December 31, 2018:

- College of Coastal Georgia Foundation, Inc.
- Dalton State College Foundation, Inc.
- Global Center for Medical Innovation, Inc. & Subsidiaries
- Gordon State College Foundation, Inc. & Subsidiaries
- Middle Georgia State University Foundation, Inc. & Subsidiaries
- Valdosta State University Foundation, Inc.
- VSU Auxiliary Services Real Estate Foundation, Inc.
- Walter & Emilie Spivey Foundation

The following organization has a Fiscal Year End of March 31, 2019:

- Dalton State College Athletic Club

As of the release of this report, financial statements were not available for the following organizations. Balances from a prior year are reported as indicated below.

- Atlanta Metropolitan State College Projects Foundation, Inc. reported fiscal year 2018 balances.
- Bainbridge State College Foundation reported fiscal year 2018 balances.
- Fort Valley State University Foundation, Inc. reported fiscal year 2018 balances.
- Southern Polytechnic Applied Research Corporation reported fiscal year 2016 balances.

**UNIVERSITY SYSTEM OF GEORGIA  
BALANCE SHEET (NON-GAAP BASIS)  
BUDGET FUNDS  
JUNE 30, 2019  
(Unaudited)**

ASSETS

Cash and Cash Equivalents	\$	821,005,272.73
Investments		93,315,137.00
Accounts Receivable		
Federal Financial Assistance		194,405,086.50
Other		314,207,429.13
Prepaid Expenditures		20,457,192.18
Inventories		5,848,416.41
Other Assets		7,339,988.55
		<hr/>
Total Assets	\$	<u><u>1,456,578,522.50</u></u>

LIABILITIES AND FUND EQUITY

Liabilities

Accounts Payable	\$	128,388,196.32
Encumbrances Payable		364,488,059.00
Salaries Payable		22,115,550.96
Deferred Revenue		252,658,644.15
Other Liabilities		9,375,184.85
		<hr/>
Total Liabilities		777,025,635.28

Fund Balances

Reserved		
Capital Outlay		12,924,774.89
Department Sales and Services		158,850,495.08
Indirect Cost Recoveries		205,602,672.61
Technology Fees		38,069,555.21
Restricted/Sponsored Funds		168,740,265.00
Uncollectible Accounts Receivable		29,036,945.82
Inventories		2,689,227.11
Tuition Carry - Forward		46,257,459.01
Property Reserves		8,125,061.34
Unreserved, Undesignated		
Surplus		9,256,431.15
		<hr/>
Total Fund Balances		679,552,887.22
		<hr/>
Total Liabilities and Fund Balances	\$	<u><u>1,456,578,522.50</u></u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA**  
**STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET**  
**BY PROGRAM AND FUNDING SOURCE (Unaudited)**  
**BUDGET FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
<b>Agricultural Experiment Station</b>					
State Appropriation					
State General Funds	\$ 46,675,198.00	\$ 46,374,523.00	\$ 46,374,523.00	\$ 46,374,523.00	\$ —
Other Funds	37,552,919.00	37,552,919.00	72,423,174.00	50,516,619.38	25,125,549.46
<b>Total Agricultural Experiment Station</b>	<b>84,228,117.00</b>	<b>83,927,442.00</b>	<b>118,797,697.00</b>	<b>96,891,142.38</b>	<b>25,125,549.46</b>
<b>Athens and Tifton Veterinary Laboratories Contract</b>					
Other Funds	6,609,688.00	6,704,688.00	7,588,611.00	7,373,412.98	992,666.95
<b>Cooperative Extension Service</b>					
State Appropriation					
State General Funds	41,618,743.00	41,649,817.00	41,649,817.00	41,649,817.00	—
Other Funds	31,333,929.00	31,333,929.00	39,939,606.00	33,356,895.90	6,698,062.49
<b>Total Cooperative Extension Service</b>	<b>72,952,672.00</b>	<b>72,983,746.00</b>	<b>81,589,423.00</b>	<b>75,006,712.90</b>	<b>6,698,062.49</b>
<b>Enterprise Innovation Institute</b>					
State Appropriation					
State General Funds	19,576,909.00	19,576,909.00	19,576,909.00	19,576,909.00	—
Other Funds	10,900,000.00	14,400,000.00	19,500,000.00	15,092,904.11	233,451.48
<b>Total Enterprise Innovation Institute</b>	<b>30,476,909.00</b>	<b>33,976,909.00</b>	<b>39,076,909.00</b>	<b>34,669,813.11</b>	<b>233,451.48</b>
<b>Forestry Cooperative Extension</b>					
State Appropriation					
State General Funds	1,215,128.00	1,215,128.00	1,215,128.00	1,215,128.00	—
Other Funds	575,988.00	575,988.00	838,432.00	686,473.74	299,671.82
<b>Total Forestry Cooperative Extension</b>	<b>1,791,116.00</b>	<b>1,791,116.00</b>	<b>2,053,560.00</b>	<b>1,901,601.74</b>	<b>299,671.82</b>
<b>Forestry Research</b>					
State Appropriation					
State General Funds	2,959,850.00	2,959,850.00	2,959,850.00	2,959,850.00	—
Other Funds	10,250,426.00	11,219,877.00	11,958,872.00	11,256,946.08	2,564,471.59
<b>Total Forestry Research</b>	<b>13,210,276.00</b>	<b>14,179,727.00</b>	<b>14,918,722.00</b>	<b>14,216,796.08</b>	<b>2,564,471.59</b>
<b>Georgia Archives</b>					
State Appropriation					
State General Funds	4,751,990.00	4,751,990.00	4,751,990.00	4,751,990.00	—
Other Funds	883,030.00	1,178,807.00	1,070,277.00	994,133.92	737,846.71
<b>Total Georgia Archives</b>	<b>\$ 5,635,020.00</b>	<b>\$ 5,930,797.00</b>	<b>\$ 5,822,267.00</b>	<b>\$ 5,746,123.92</b>	<b>\$ 737,846.71</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess
	Program Transfers	Total	Variance	Current Year	Variance	of Funds Available
	or Adjustments	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Over/(Under) Expenditures
Agricultural Experiment Station						
State Appropriation						
State General Funds	\$ —	\$ 46,374,523.00	\$ —	\$ 46,374,523.00	\$ —	\$ —
Other Funds	—	75,642,168.84	3,218,994.84	47,970,101.94	24,453,072.06	27,672,066.90
<b>Total Agricultural Experiment Station</b>	<b>—</b>	<b>122,016,691.84</b>	<b>3,218,994.84</b>	<b>94,344,624.94</b>	<b>24,453,072.06</b>	<b>27,672,066.90</b>
Athens and Tifton Veterinary Laboratories Contract						
Other Funds	—	8,366,079.93	777,468.93	7,241,629.90	346,981.10	1,124,450.03
Cooperative Extension Service						
State Appropriation						
State General Funds	—	41,649,817.00	—	41,649,817.00	—	—
Other Funds	—	40,054,958.39	115,352.39	30,732,025.54	9,207,580.46	9,322,932.85
<b>Total Cooperative Extension Service</b>	<b>—</b>	<b>81,704,775.39</b>	<b>115,352.39</b>	<b>72,381,842.54</b>	<b>9,207,580.46</b>	<b>9,322,932.85</b>
Enterprise Innovation Institute						
State Appropriation						
State General Funds	—	19,576,909.00	—	19,576,909.00	—	—
Other Funds	—	15,326,355.59	(4,173,644.41)	14,395,924.40	5,104,075.60	930,431.19
<b>Total Enterprise Innovation Institute</b>	<b>—</b>	<b>34,903,264.59</b>	<b>(4,173,644.41)</b>	<b>33,972,833.40</b>	<b>5,104,075.60</b>	<b>930,431.19</b>
Forestry Cooperative Extension						
State Appropriation						
State General Funds	—	1,215,128.00	—	1,215,128.00	—	—
Other Funds	—	986,145.56	147,713.56	699,691.35	138,740.65	286,454.21
<b>Total Forestry Cooperative Extension</b>	<b>—</b>	<b>2,201,273.56</b>	<b>147,713.56</b>	<b>1,914,819.35</b>	<b>138,740.65</b>	<b>286,454.21</b>
Forestry Research						
State Appropriation						
State General Funds	—	2,959,850.00	—	2,959,850.00	—	—
Other Funds	—	13,821,417.67	1,862,545.67	11,021,241.36	937,630.64	2,800,176.31
<b>Total Forestry Research</b>	<b>—</b>	<b>16,781,267.67</b>	<b>1,862,545.67</b>	<b>13,981,091.36</b>	<b>937,630.64</b>	<b>2,800,176.31</b>
Georgia Archives						
State Appropriation						
State General Funds	—	4,751,990.00	—	4,751,990.00	—	—
Other Funds	—	1,731,980.63	661,703.63	969,105.21	101,171.79	762,875.42
<b>Total Georgia Archives</b>	<b>\$ —</b>	<b>\$ 6,483,970.63</b>	<b>\$ 661,703.63</b>	<b>\$ 5,721,095.21</b>	<b>\$ 101,171.79</b>	<b>\$ 762,875.42</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
Georgia Cyber Innovation and Training Center					
State General Funds	\$ 4,407,753.00	\$ 4,561,387.00	\$ 4,561,387.00	\$ 4,561,387.00	\$ —
Other Funds	—	—	1,050,843.00	—	—
<b>Total Georgia Cyber Innovation and Training Center</b>	<b>4,407,753.00</b>	<b>4,561,387.00</b>	<b>5,612,230.00</b>	<b>4,561,387.00</b>	<b>—</b>
Georgia Research Alliance					
State General Funds	5,117,588.00	5,117,588.00	5,117,588.00	5,117,588.00	—
Georgia Tech Research Institute					
State Appropriation					
State General Funds	6,094,956.00	6,094,956.00	6,094,956.00	6,094,956.00	—
Other Funds	406,225,535.00	477,980,336.00	484,480,336.00	475,586,465.67	2,295,466.78
<b>Total Georgia Tech Research Institute</b>	<b>412,320,491.00</b>	<b>484,075,292.00</b>	<b>490,575,292.00</b>	<b>481,681,421.67</b>	<b>2,295,466.78</b>
Marine Institute					
State Appropriation					
State General Funds	1,013,238.00	1,013,238.00	1,013,238.00	1,013,238.00	—
Other Funds	486,281.00	486,281.00	580,246.00	275,112.19	740,194.41
<b>Total Marine Institute</b>	<b>1,499,519.00</b>	<b>1,499,519.00</b>	<b>1,593,484.00</b>	<b>1,288,350.19</b>	<b>740,194.41</b>
Marine Resources Extension Center					
State Appropriation					
State General Funds	1,554,929.00	1,554,929.00	1,554,929.00	1,554,929.00	—
Other Funds	1,345,529.00	1,345,529.00	1,932,529.00	1,354,114.69	288,203.87
<b>Total Marine Resources Extension Center</b>	<b>2,900,458.00</b>	<b>2,900,458.00</b>	<b>3,487,458.00</b>	<b>2,909,043.69</b>	<b>288,203.87</b>
Medical College of Georgia Hospital and Clinics					
State Appropriation					
State General Funds	31,992,211.00	31,992,211.00	31,992,211.00	31,992,211.00	—
Tobacco Settlement Funds	—	9,991,818.00	9,991,818.00	9,991,818.00	—
<b>Total Medical College of Georgia Hospital and Clinics</b>	<b>31,992,211.00</b>	<b>41,984,029.00</b>	<b>41,984,029.00</b>	<b>41,984,029.00</b>	<b>—</b>
Public Libraries					
State Appropriation					
State General Funds	38,710,715.00	39,077,574.00	39,077,574.00	38,847,435.00	—
Other Funds	4,287,961.00	4,415,201.00	4,758,231.00	4,616,069.38	—
<b>Total Public Libraries</b>	<b>42,998,676.00</b>	<b>43,492,775.00</b>	<b>43,835,805.00</b>	<b>43,463,504.38</b>	<b>—</b>
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	28,540,259.00	28,044,882.00	28,044,882.00	28,044,882.00	—
State Funds - Prior Year Carry-Over					
State General Funds - Prior Year	—	—	1,737,762.00	—	1,737,762.15
<b>Total Public Service/Special Funding Initiatives</b>	<b>\$ 28,540,259.00</b>	<b>\$ 28,044,882.00</b>	<b>\$ 29,782,644.00</b>	<b>\$ 28,044,882.00</b>	<b>\$ 1,737,762.15</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.



**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency)
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	of Funds Available Over/(Under) Expenditures
Georgia Cyber Innovation and Training Center						
State General Funds	\$ —	\$ 4,561,387.00	\$ —	\$ 4,026,346.41	\$ 535,040.59	\$ 535,040.59
Other Funds	—	—	(1,050,843.00)	—	1,050,843.00	—
<b>Total Georgia Cyber Innovation and Training Center</b>	<b>—</b>	<b>4,561,387.00</b>	<b>(1,050,843.00)</b>	<b>4,026,346.41</b>	<b>1,585,883.59</b>	<b>535,040.59</b>
Georgia Research Alliance						
State General Funds	—	5,117,588.00	—	5,117,588.00	—	—
Georgia Tech Research Institute						
State Appropriation						
State General Funds	—	6,094,956.00	—	6,094,956.00	—	—
Other Funds	—	477,881,932.45	(6,598,403.55)	474,373,373.20	10,106,962.80	3,508,559.25
<b>Total Georgia Tech Research Institute</b>	<b>—</b>	<b>483,976,888.45</b>	<b>(6,598,403.55)</b>	<b>480,468,329.20</b>	<b>10,106,962.80</b>	<b>3,508,559.25</b>
Marine Institute						
State Appropriation						
State General Funds	—	1,013,238.00	—	1,013,238.00	—	—
Other Funds	—	1,015,306.60	435,060.60	291,377.94	288,868.06	723,928.66
<b>Total Marine Institute</b>	<b>—</b>	<b>2,028,544.60</b>	<b>435,060.60</b>	<b>1,304,615.94</b>	<b>288,868.06</b>	<b>723,928.66</b>
Marine Resources Extension Center						
State Appropriation						
State General Funds	—	1,554,929.00	—	1,554,929.00	—	—
Other Funds	—	1,642,318.56	(290,210.44)	1,342,869.02	589,659.98	299,449.54
<b>Total Marine Resources Extension Center</b>	<b>—</b>	<b>3,197,247.56</b>	<b>(290,210.44)</b>	<b>2,897,798.02</b>	<b>589,659.98</b>	<b>299,449.54</b>
Medical College of Georgia Hospital and Clinics						
State Appropriation						
State General Funds	—	31,992,211.00	—	31,992,211.00	—	—
Tobacco Settlement Funds	—	9,991,818.00	—	9,991,818.00	—	—
<b>Total Medical College of Georgia Hospital and Clinics</b>	<b>—</b>	<b>41,984,029.00</b>	<b>—</b>	<b>41,984,029.00</b>	<b>—</b>	<b>—</b>
Public Libraries						
State Appropriation						
State General Funds	—	38,847,435.00	(230,139.00)	38,807,980.28	269,593.72	39,454.72
Other Funds	—	4,616,069.38	(142,161.62)	4,616,069.38	142,161.62	—
<b>Total Public Libraries</b>	<b>—</b>	<b>43,463,504.38</b>	<b>(372,300.62)</b>	<b>43,424,049.66</b>	<b>411,755.34</b>	<b>39,454.72</b>
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	—	28,044,882.00	—	25,296,248.33	2,748,633.67	2,748,633.67
State Funds - Prior Year Carry-Over						
State General Funds - Prior Year	—	1,737,762.15	0.15	1,065,195.07	672,566.93	672,567.08
<b>Total Public Service/Special Funding Initiatives</b>	<b>\$ —</b>	<b>\$ 29,782,644.15</b>	<b>\$ 0.15</b>	<b>\$ 26,361,443.40</b>	<b>\$ 3,421,200.60</b>	<b>\$ 3,421,200.75</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
<b>Regents Central Office</b>					
State Appropriation					
State General Funds	\$ 12,327,579.00	\$ 12,375,327.00	\$ 12,375,327.00	\$ 12,375,327.00	\$ —
Other Funds	—	—	456,014.00	1,258,798.08	4,712,648.49
<b>Total Regents Central Office</b>	<b>12,327,579.00</b>	<b>12,375,327.00</b>	<b>12,831,341.00</b>	<b>13,634,125.08</b>	<b>4,712,648.49</b>
<b>Skidaway Institute of Oceanography</b>					
State Appropriation					
State General Funds	1,524,845.00	1,524,845.00	1,524,845.00	1,524,845.00	—
Other Funds	3,900,620.00	3,900,620.00	5,571,330.00	4,477,642.50	1,477,905.97
<b>Total Skidaway Institute of Oceanography</b>	<b>5,425,465.00</b>	<b>5,425,465.00</b>	<b>7,096,175.00</b>	<b>6,002,487.50</b>	<b>1,477,905.97</b>
<b>Teaching</b>					
State Appropriation					
State General Funds	2,153,266,402.00	2,155,728,837.00	2,155,728,837.00	2,155,728,837.00	—
Other Funds	4,857,951,814.00	5,026,603,600.00	5,754,333,693.00	5,096,877,731.99	481,554,316.37
<b>Total Teaching</b>	<b>7,011,218,216.00</b>	<b>7,182,332,437.00</b>	<b>7,910,062,530.00</b>	<b>7,252,606,568.99</b>	<b>481,554,316.37</b>
<b>Veterinary Medicine Experiment Station</b>					
State Appropriation					
State General Funds	4,641,590.00	4,508,257.00	4,508,257.00	4,508,257.00	—
<b>Veterinary Medicine Teaching Hospital</b>					
State Appropriation					
State General Funds	479,119.00	479,119.00	479,119.00	479,119.00	—
Other Funds	17,750,000.00	19,800,000.00	23,012,946.00	21,061,628.55	3,212,946.34
<b>Total Veterinary Medicine Teaching Hospital</b>	<b>18,229,119.00</b>	<b>20,279,119.00</b>	<b>23,492,065.00</b>	<b>21,540,747.55</b>	<b>3,212,946.34</b>
<b>Agencies Attached for Administrative Purposes</b>					
<b>Payments to Georgia Military College</b>					
State Appropriation					
State General Funds	6,580,422.00	7,079,053.00	7,079,053.00	6,995,577.00	—
<b>Payments to Georgia Public Telecommunications Commission</b>					
State Appropriation					
State General Funds	15,195,808.00	15,197,539.00	15,197,539.00	15,197,539.00	—
<b>Budget Unit Totals</b>	<b>\$ 7,818,298,952.00</b>	<b>\$ 8,078,367,552.00</b>	<b>\$ 8,872,102,679.00</b>	<b>\$ 8,165,341,111.16</b>	<b>\$ 532,671,164.88</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency)
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	of Funds Available Over/(Under) Expenditures
Regents Central Office						
State Appropriation						
State General Funds	\$ —	\$ 12,375,327.00	\$ —	\$ 12,375,327.00	\$ —	\$ —
Other Funds	—	5,971,446.57	5,515,432.57	355,808.00	100,206.00	5,615,638.57
<b>Total Regents Central Office</b>	<b>—</b>	<b>18,346,773.57</b>	<b>5,515,432.57</b>	<b>12,731,135.00</b>	<b>100,206.00</b>	<b>5,615,638.57</b>
Skidaway Institute of Oceanography						
State Appropriation						
State General Funds	—	1,524,845.00	—	1,524,845.00	—	—
Other Funds	—	5,955,548.47	384,218.47	4,392,904.24	1,178,425.76	1,562,644.23
<b>Total Skidaway Institute of Oceanography</b>	<b>—</b>	<b>7,480,393.47</b>	<b>384,218.47</b>	<b>5,917,749.24</b>	<b>1,178,425.76</b>	<b>1,562,644.23</b>
Teaching						
State Appropriation						
State General Funds	—	2,155,728,837.00	—	2,155,393,085.97	335,751.03	335,751.03
Other Funds	—	5,578,432,048.36	(175,901,644.64)	4,995,453,192.09	758,880,500.91	582,978,856.27
<b>Total Teaching</b>	<b>—</b>	<b>7,734,160,885.36</b>	<b>(175,901,644.64)</b>	<b>7,150,846,278.06</b>	<b>759,216,251.94</b>	<b>583,314,607.30</b>
Veterinary Medicine Experiment Station						
State Appropriation						
State General Funds	—	4,508,257.00	—	4,508,257.00	—	—
Veterinary Medicine Teaching Hospital						
State Appropriation						
State General Funds	—	479,119.00	—	479,119.00	—	—
Other Funds	—	24,274,574.89	1,261,628.89	20,367,406.48	2,645,539.52	3,907,168.41
<b>Total Veterinary Medicine Teaching Hospital</b>	<b>—</b>	<b>24,753,693.89</b>	<b>1,261,628.89</b>	<b>20,846,525.48</b>	<b>2,645,539.52</b>	<b>3,907,168.41</b>
Agencies Attached for Administrative Purposes						
Payments to Georgia Military College						
State Appropriation						
State General Funds	—	6,995,577.00	(83,476.00)	6,995,577.00	83,476.00	—
Payments to Georgia Public Telecommunications Commission						
State Appropriation						
State General Funds	—	15,197,539.00	—	15,197,539.00	—	—
<b>Budget Unit Totals</b>	<b>\$ —</b>	<b>\$ 8,698,012,276.04</b>	<b>\$ (174,090,402.96)</b>	<b>\$ 8,052,185,197.11</b>	<b>\$ 819,917,481.89</b>	<b>\$ 645,827,078.93</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2018 Surplus	Prior Year Adjustments	Other Adjustments
Agricultural Experiment Station					
State Appropriation					
State General Funds	\$ 121,331.98	\$ —	\$ (121,331.98)	\$ 101,139.97	\$ —
Other Funds	25,125,549.46	(25,125,549.46)	—	261,635.19	—
<b>Total Agricultural Experiment Station</b>	<b>25,246,881.44</b>	<b>(25,125,549.46)</b>	<b>(121,331.98)</b>	<b>362,775.16</b>	<b>—</b>
Athens and Tifton Veterinary Laboratories Contract					
Other Funds	992,666.95	(992,666.95)	—	3,543.33	—
Cooperative Extension Service					
State Appropriation					
State General Funds	67,183.09	—	(67,183.09)	110,725.82	—
Other Funds	6,698,062.49	(6,698,062.49)	—	23,668.09	—
<b>Total Cooperative Extension Service</b>	<b>6,765,245.58</b>	<b>(6,698,062.49)</b>	<b>(67,183.09)</b>	<b>134,393.91</b>	<b>—</b>
Enterprise Innovation Institute					
State Appropriation					
State General Funds	0.28	—	(0.28)	17.24	—
Other Funds	233,451.48	(233,451.48)	—	—	(6,767.55)
<b>Total Enterprise Innovation Institute</b>	<b>233,451.76</b>	<b>(233,451.48)</b>	<b>(0.28)</b>	<b>17.24</b>	<b>(6,767.55)</b>
Forestry Cooperative Extension					
State Appropriation					
State General Funds	503.78	—	(503.78)	2,269.50	—
Other Funds	299,671.82	(299,671.82)	—	—	—
<b>Total Forestry Cooperative Extension</b>	<b>300,175.60</b>	<b>(299,671.82)</b>	<b>(503.78)</b>	<b>2,269.50</b>	<b>—</b>
Forestry Research					
State Appropriation					
State General Funds	11,157.04	—	(11,157.04)	863.92	—
Other Funds	2,564,471.59	(2,564,471.59)	—	3,639.97	—
<b>Total Forestry Research</b>	<b>2,575,628.63</b>	<b>(2,564,471.59)</b>	<b>(11,157.04)</b>	<b>4,503.89</b>	<b>—</b>
Georgia Archives					
State Appropriation					
State General Funds	5,653.71	—	(5,653.71)	11,712.30	—
Other Funds	739,261.45	(737,846.71)	(1,414.74)	24,462.26	(19,714.05)
<b>Total Georgia Archives</b>	<b>744,915.16</b>	<b>(737,846.71)</b>	<b>(7,068.45)</b>	<b>36,174.56</b>	<b>(19,714.05)</b>
Georgia Cyber Innovation and Training Center					
State General Funds	—	—	—	—	—
Other Funds	—	—	—	—	—
<b>Total Georgia Cyber Innovation and Training Center</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Early Return of Fiscal Year 2019 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
<b>Agricultural Experiment Station</b>						
State Appropriation						
State General Funds	\$ (1,927.28)	\$ —	\$ 99,212.69	\$ —	\$ 99,212.69	\$ 99,212.69
Other Funds	—	27,672,066.90	27,933,702.09	27,929,823.69	3,878.40	27,933,702.09
<b>Total Agricultural Experiment Station</b>	<b>(1,927.28)</b>	<b>27,672,066.90</b>	<b>28,032,914.78</b>	<b>27,929,823.69</b>	<b>103,091.09</b>	<b>28,032,914.78</b>
<b>Athens and Tifton Veterinary Laboratories Contract</b>						
Other Funds	—	1,124,450.03	1,127,993.36	1,127,993.36	—	1,127,993.36
<b>Cooperative Extension Service</b>						
State Appropriation						
State General Funds	—	—	110,725.82	—	110,725.82	110,725.82
Other Funds	—	9,322,932.85	9,346,600.94	9,344,555.67	2,045.27	9,346,600.94
<b>Total Cooperative Extension Service</b>	<b>—</b>	<b>9,322,932.85</b>	<b>9,457,326.76</b>	<b>9,344,555.67</b>	<b>112,771.09</b>	<b>9,457,326.76</b>
<b>Enterprise Innovation Institute</b>						
State Appropriation						
State General Funds	(17.24)	—	—	—	—	—
Other Funds	—	930,431.19	923,663.64	923,663.64	—	923,663.64
<b>Total Enterprise Innovation Institute</b>	<b>(17.24)</b>	<b>930,431.19</b>	<b>923,663.64</b>	<b>923,663.64</b>	<b>—</b>	<b>923,663.64</b>
<b>Forestry Cooperative Extension</b>						
State Appropriation						
State General Funds	—	—	2,269.50	—	2,269.50	2,269.50
Other Funds	—	286,454.21	286,454.21	286,454.21	—	286,454.21
<b>Total Forestry Cooperative Extension</b>	<b>—</b>	<b>286,454.21</b>	<b>288,723.71</b>	<b>286,454.21</b>	<b>2,269.50</b>	<b>288,723.71</b>
<b>Forestry Research</b>						
State Appropriation						
State General Funds	—	—	863.92	—	863.92	863.92
Other Funds	—	2,800,176.31	2,803,816.28	2,803,125.15	691.13	2,803,816.28
<b>Total Forestry Research</b>	<b>—</b>	<b>2,800,176.31</b>	<b>2,804,680.20</b>	<b>2,803,125.15</b>	<b>1,555.05</b>	<b>2,804,680.20</b>
<b>Georgia Archives</b>						
State Appropriation						
State General Funds	(11,224.56)	—	487.74	—	487.74	487.74
Other Funds	—	762,875.42	767,623.63	741,847.60	25,776.03	767,623.63
<b>Total Georgia Archives</b>	<b>(11,224.56)</b>	<b>762,875.42</b>	<b>768,111.37</b>	<b>741,847.60</b>	<b>26,263.77</b>	<b>768,111.37</b>
<b>Georgia Cyber Innovation and Training Center</b>						
State General Funds	—	535,040.59	535,040.59	—	535,040.59	535,040.59
Other Funds	—	—	—	—	—	—
<b>Total Georgia Cyber Innovation and Training Center</b>	<b>\$ —</b>	<b>\$ 535,040.59</b>	<b>\$ 535,040.59</b>	<b>\$ —</b>	<b>\$ 535,040.59</b>	<b>\$ 535,040.59</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2018 Surplus	Prior Year Adjustments	Other Adjustments
Georgia Research Alliance					
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —
Georgia Tech Research Institute					
State Appropriation					
State General Funds	275.68	—	(275.68)	657.29	—
Other Funds	2,295,466.78	(2,295,466.78)	—	—	—
Total Georgia Tech Research Institute	2,295,742.46	(2,295,466.78)	(275.68)	657.29	—
Marine Institute					
State Appropriation					
State General Funds	—	—	—	—	—
Other Funds	740,194.41	(740,194.41)	—	—	—
Total Marine Institute	740,194.41	(740,194.41)	—	—	—
Marine Resources Extension Center					
State Appropriation					
State General Funds	5,255.66	—	(5,255.66)	2,000.90	—
Other Funds	288,203.87	(288,203.87)	—	876.78	—
Total Marine Resources Extension Center	293,459.53	(288,203.87)	(5,255.66)	2,877.68	—
Medical College of Georgia Hospital and Clinics					
State Appropriation					
State General Funds	29,016.00	—	(29,016.00)	—	—
Tobacco Settlement Funds	—	—	—	—	—
Total Medical College of Georgia Hospital and Clinics	29,016.00	—	(29,016.00)	—	—
Public Libraries					
State Appropriation					
State General Funds	33,029.84	—	(33,029.84)	108,743.28	—
Other Funds	—	—	—	—	—
Total Public Libraries	33,029.84	—	(33,029.84)	108,743.28	—
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	26,573.75	—	(26,573.75)	1,484,999.00	—
State Funds - Prior Year Carry-Over					
State General Funds - Prior Year	2,754,609.48	(1,737,762.15)	(1,016,847.33)	—	—
Total Public Service/Special Funding Initiatives	2,781,183.23	(1,737,762.15)	(1,043,421.08)	1,484,999.00	—
Regents Central Office					
State Appropriation					
State General Funds	76,828.13	—	(76,828.13)	32,160.31	—
Other Funds	4,712,648.49	(4,712,648.49)	—	—	—
Total Regents Central Office	\$ 4,789,476.62	\$ (4,712,648.49)	\$ (76,828.13)	\$ 32,160.31	\$ —

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**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Early Return of Fiscal Year 2019 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Georgia Research Alliance						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Georgia Tech Research Institute						
State Appropriation						
State General Funds	—	—	657.29	—	657.29	657.29
Other Funds	—	3,508,559.25	3,508,559.25	3,508,559.25	—	3,508,559.25
Total Georgia Tech Research Institute	—	3,508,559.25	3,509,216.54	3,508,559.25	657.29	3,509,216.54
Marine Institute						
State Appropriation						
State General Funds	—	—	—	—	—	—
Other Funds	—	723,928.66	723,928.66	723,928.66	—	723,928.66
Total Marine Institute	—	723,928.66	723,928.66	723,928.66	—	723,928.66
Marine Resources Extension Center						
State Appropriation						
State General Funds	—	—	2,000.90	—	2,000.90	2,000.90
Other Funds	—	299,449.54	300,326.32	300,129.82	196.50	300,326.32
Total Marine Resources Extension Center	—	299,449.54	302,327.22	300,129.82	2,197.40	302,327.22
Medical College of Georgia Hospital and Clinics						
State Appropriation						
State General Funds	—	—	—	—	—	—
Tobacco Settlement Funds	—	—	—	—	—	—
Total Medical College of Georgia Hospital and Clinics	—	—	—	—	—	—
Public Libraries						
State Appropriation						
State General Funds	(8,397.42)	39,454.72	139,800.58	—	139,800.58	139,800.58
Other Funds	—	—	—	—	—	—
Total Public Libraries	(8,397.42)	39,454.72	139,800.58	—	139,800.58	139,800.58
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	(16,228.98)	2,748,633.67	4,217,403.69	—	4,217,403.69	4,217,403.69
State Funds - Prior Year Carry-Over						
State General Funds - Prior Year	—	672,567.08	672,567.08	672,567.08	—	672,567.08
Total Public Service/Special Funding Initiatives	(16,228.98)	3,421,200.75	4,889,970.77	672,567.08	4,217,403.69	4,889,970.77
Regents Central Office						
State Appropriation						
State General Funds	(20,513.92)	—	11,646.39	—	11,646.39	11,646.39
Other Funds	—	5,615,638.57	5,615,638.57	5,615,638.57	—	5,615,638.57
Total Regents Central Office	\$ (20,513.92)	\$ 5,615,638.57	\$ 5,627,284.96	\$ 5,615,638.57	\$ 11,646.39	\$ 5,627,284.96

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2018 Surplus	Prior Year Adjustments	Other Adjustments
Skidaway Institute of Oceanography					
State Appropriation					
State General Funds	\$ 2,987.90	\$ —	\$ (2,987.90)	\$ 1,395.50	\$ —
Other Funds	1,477,905.97	(1,477,905.97)	—	5,304.45	—
<b>Total Skidaway Institute of Oceanography</b>	<b>1,480,893.87</b>	<b>(1,477,905.97)</b>	<b>(2,987.90)</b>	<b>6,699.95</b>	<b>—</b>
Teaching					
State Appropriation					
State General Funds	1,436,167.75	—	(1,436,167.75)	3,528,573.26	(120,723.83)
Other Funds	481,967,894.39	(481,554,316.37)	(413,578.02)	2,175,085.05	(2,918,659.50)
<b>Total Teaching</b>	<b>483,404,062.14</b>	<b>(481,554,316.37)</b>	<b>(1,849,745.77)</b>	<b>5,703,658.31</b>	<b>(3,039,383.33)</b>
Veterinary Medicine Experiment Station					
State Appropriation					
State General Funds	3,640.84	—	(3,640.84)	7,036.66	—
Veterinary Medicine Teaching Hospital					
State Appropriation					
State General Funds	—	—	—	—	—
Other Funds	3,212,946.34	(3,212,946.34)	—	(16,457.34)	21,360.13
<b>Total Veterinary Medicine Teaching Hospital</b>	<b>3,212,946.34</b>	<b>(3,212,946.34)</b>	<b>—</b>	<b>(16,457.34)</b>	<b>21,360.13</b>
Agencies Attached for Administrative Purposes					
Payments to Georgia Military College					
State Appropriation					
State General Funds	—	—	—	—	—
Payments to Georgia Public Telecommunications Commission					
State Appropriation					
State General Funds	—	—	—	—	—
<b>Total Operating Activity</b>	<b>535,922,610.40</b>	<b>(532,671,164.88)</b>	<b>(3,251,445.52)</b>	<b>7,874,052.73</b>	<b>(3,044,504.80)</b>
Prior Year Reserve					
Not Available for Expenditure					
Inventories	3,061,893.17	—	—	—	(372,666.06)
Other Reserves	25,619,774.96	—	—	—	3,417,170.86
<b>Budget Unit Totals</b>	<b>\$ 564,604,278.53</b>	<b>\$ (532,671,164.88)</b>	<b>\$ (3,251,445.52)</b>	<b>\$ 7,874,052.73</b>	<b>\$ —</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.



**UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE (Unaudited)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Early Return of Fiscal Year 2019 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Skidaway Institute of Oceanography						
State Appropriation						
State General Funds	\$ (1,376.20)	\$ —	\$ 19.30	\$ —	\$ 19.30	\$ 19.30
Other Funds	—	1,562,644.23	1,567,948.68	1,567,948.68	—	1,567,948.68
<b>Total Skidaway Institute of Oceanography</b>	<b>(1,376.20)</b>	<b>1,562,644.23</b>	<b>1,567,967.98</b>	<b>1,567,948.68</b>	<b>19.30</b>	<b>1,567,967.98</b>
Teaching						
State Appropriation						
State General Funds	(972,388.31)	335,751.03	2,771,212.15	—	2,771,212.15	2,771,212.15
Other Funds	(1,797,436.66)	582,978,856.27	580,437,845.16	579,111,976.56	1,325,868.60	580,437,845.16
<b>Total Teaching</b>	<b>(2,769,824.97)</b>	<b>583,314,607.30</b>	<b>583,209,057.31</b>	<b>579,111,976.56</b>	<b>4,097,080.75</b>	<b>583,209,057.31</b>
Veterinary Medicine Experiment Station						
State Appropriation						
State General Funds	(402.00)	—	6,634.66	—	6,634.66	6,634.66
Veterinary Medicine Teaching Hospital						
State Appropriation						
State General Funds	—	—	—	—	—	—
Other Funds	—	3,907,168.41	3,912,071.20	3,912,071.20	—	3,912,071.20
<b>Total Veterinary Medicine Teaching Hospital</b>	<b>—</b>	<b>3,907,168.41</b>	<b>3,912,071.20</b>	<b>3,912,071.20</b>	<b>—</b>	<b>3,912,071.20</b>
Agencies Attached for Administrative Purposes						
Payments to Georgia Military College						
State Appropriation						
State General Funds	—	—	—	—	—	—
Payments to Georgia Public Telecommunications Commission						
State Appropriation						
State General Funds	—	—	—	—	—	—
<b>Total Operating Activity</b>	<b>(2,829,912.57)</b>	<b>645,827,078.93</b>	<b>647,826,714.29</b>	<b>638,570,283.14</b>	<b>9,256,431.15</b>	<b>647,826,714.29</b>
Prior Year Reserve						
Not Available for Expenditure						
Inventories	—	—	2,689,227.11	2,689,227.11	—	2,689,227.11
Other Reserves	—	—	29,036,945.82	29,036,945.82	—	29,036,945.82
<b>Budget Unit Totals</b>	<b>\$ (2,829,912.57)</b>	<b>\$ 645,827,078.93</b>	<b>\$ 679,552,887.22</b>	<b>\$ 670,296,456.07</b>	<b>\$ 9,256,431.15</b>	<b>\$ 679,552,887.22</b>
Summary of Ending Fund Balance						
Reserved						
Inventories				\$ 2,689,227.11	\$ —	\$ 2,689,227.11
Colleges and Universities				667,607,228.96	—	667,607,228.96
Unreserved, Undesignated						
Surplus				—	9,256,431.15	9,256,431.15
<b>Total Ending Fund Balance - June 30</b>				<b>\$ 670,296,456.07</b>	<b>\$ 9,256,431.15</b>	<b>\$ 679,552,887.22</b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

## **Acknowledgments**

### ***Published by University System of Georgia Strategy and Fiscal Affairs:***

Tracey Cook - Executive Vice Chancellor For Strategy and Fiscal Affairs/Treasurer  
Claire Arnold  
Brad Freeman  
Theresa L. Jackson  
Christi Porto  
Ben M. Riden, Jr.

### ***Special Appreciation to University System of Georgia Chief Business Officers:***

Paul Willis, Abraham Baldwin Agricultural College  
Shawn McGee, Albany State University  
Nick Henry, Atlanta Metropolitan State College  
Yvonne Turner, Augusta University  
Corlis Cummings, Clayton State University  
Michelle Ham, College of Coastal Georgia  
J. Thomas Helton, Columbus State University  
Nick Henry, Dalton State College  
Cliff Gay, East Georgia State College  
Dexter Odom, Fort Valley State University  
Susan Allen, Georgia College & State University  
Frank Hardyman, Georgia Gwinnett College  
Jeff Davis, Georgia Highlands College  
Jim Fortner, Georgia Institute of Technology  
Robert Whitaker, Georgia Southern University  
Cody King, Georgia Southwestern State University  
Jerry Rackliffe, Georgia State University  
Julie Peterson, Kennesaw State University  
Nancy Stroud, Middle Georgia State University  
Elaine Campbell, Savannah State University  
Diane Owens, South Georgia State College  
Ryan Nesbit, University of Georgia  
Mac McConnell, University of North Georgia  
Jim Sutherland, University of West Georgia  
Traycee Martin, Valdosta State University  
Diane Hickey, Board of Regents, University System Office

### ***University System of Georgia Highlights:***

Courtesy of University System of Georgia Communications and Governmental Affairs

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