GEORGIA INSTITUTE OF TECHNOLOGY

Annual Financial Report

FOR FISCAL YEAR ENDED JUNE 30, 2022

INCLUDING INDEPENDENT AUDITOR'S REPORT

GEORGIA INSTITUTE OF TECHNOLOGY
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Introductory Section

Message from the President

Two years into Georgia Tech's new strategic plan, I am delighted to report that the Institute continues to make excellent progress toward fulfilling the goals and vision we set out to achieve, having more impact today than ever before. We attract and serve more students, we produce more talent, we win more research awards in critical sectors for our nation and our world, we develop more startups, and we attract more leading companies that drive innovation and create economic opportunity here at home and across the globe.

Over the past few years, we've become the fastest-growing and second-largest university in the state as well as one of the fastest-growing universities in the nation. After receiving more than 50,000 applications for first-year admission this year — a record for the Institute as well as the state of Georgia — we welcomed our largest overall enrollment in history this fall, with our undergraduate class posting record numbers of women and solid gains among underrepresented groups.

It's not difficult to see why we're growing so much. The Institute's academic excellence, coupled with demand for tech talent at an all-time high, continues to multiply our value for students and companies alike. And the cost of a Georgia Tech education has only gone down, thanks to enrollment growth, fiscal prudence, and an unprecedented increase in state funding. This fall, undergraduate tuition and fees for in-state students total $11,764, compared to $12,682 three years ago — a 7% reduction (or 19% when adjusted for inflation).

Keeping pace with our soaring enrollment and national reputation, a relentless surge of research activity has turned Georgia Tech into a leading source of insight and solutions for some of the world's most pressing challenges. In fiscal year 2021, research and sponsored activity awards amounted to a record $1.2 billion, and we exceeded that figure this past fiscal year to set yet another record of nearly $1.3 billion. At the same time, the Institute has become the nation's No. 1 university for research and development spending among institutions without a medical school, and we're the only technological institution to rank among the top 20 overall.

With our unmatched scale in students, faculty, academics, and research, Georgia Tech has become a key component of our nation's innovation fabric and an impressive engine of economic development. Yielding a statewide impact of nearly $4.2 billion and providing one of the nation's top returns on investment for college students, Georiga Tech is our state's global gateway for talent, research, and innovation, and our reach and impact extend farther every year — from small rural towns to metro Atlanta and every community in between.

Some of our value stems directly from how our growth has shaped the city around us. While work continues on the third and final phase of Tech Square — our thriving innovation neighborhood that has breathed so much life into Midtown — construction is just beginning on a whole new community, Science Square, on the south side of campus at the corner of North Avenue and Northside Drive. With the first units expected in early 2024, Science Square will grow into a global biomedical research and technology hub that will focus on devices and procedures with the power to improve and save lives.

Closer to the center of campus, our new John Lewis Student Center and Stamps Commons — under construction since May 2019 — recently opened in time for the Fall 2022 semester. Meticulously designed to meet the needs of our growing and diverse student population, these new facilities offer a beautiful and inviting space for students to engage, meet each other, grab a bite, and work, but also to play and recharge.

Generation after generation, Georgia Tech has dedicated itself to addressing the world's most pressing challenges and creating a brighter future for everyone, even as we continually seek out ways to transform ourselves and become a better Institute than ever before. Based on yet another record-setting year, I'm proud to report that this community is clearly getting the job done.

Ángel Cabrera
President
Georgia Institute of Technology

Letter of Transmittal

September 19, 2022

To: President Ángel Cabrera
Georgia Institute of Technology

The Annual Financial Report (AFR) for the Georgia Institute of Technology includes the financial statements for the year ended June 30, 2022, as well as other useful information to help ensure the Institute’s accountability and integrity to the public. The AFR also includes Management's Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the Institute’s financial position as a result of operations for the fiscal year ended June 30, 2022.

Georgia Tech’s management is responsible for the accuracy of this information and for the completeness and fairness of its presentation, including all disclosures. We believe the information is accurate and fairly presents the Institute’s financial position, revenues, expenses and other changes in net position.

The Institute’s financial records are audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. Georgia Tech’s internal auditors also perform fiscal compliance and performance reviews, sharing the results with the Institute’s management. The audit of the Institute's compliance with major federal programs is performed by Cherry Bekaert in conjunction with the statewide Single Audit.

Sincerely,

James G. Fortner
Vice President for Finance and Planning
Administration and Finance

Financial Section

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

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. Ángel Cabrera, President
Georgia Institute of Technology

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the Georgia Institute of Technology (Institute), a unit of the University System of Georgia, which is an organizational unit of the State of Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Institute's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the Institute as of June 30, 2022, 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.

The financial statements of the aggregate discretely presented component units 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The other auditors audited the financial statements of the aggregate discretely presented component units in accordance with GAAS but not in accordance with *Government Auditing Standards*, except for the Georgia Tech Research Corporation.

We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Institute 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, aggregate discretely presented component units, and fiduciary activities of the State of Georgia that are attributable to the transactions of the Institute. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2022, 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 described in Note 1 to the financial statements, in 2022, the Institute adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The Institute restated beginning balances for the effect of GASB Statement No. 87. Our opinions are not modified with respect to this matter.

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 is the responsibility of management and, 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 GAAS, 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 appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Institute’s basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022 on our consideration of the Institute'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 Institute'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 Institute's internal control over financial reporting and compliance.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

December 19, 2022

GEORGIA INSTITUTE OF TECHNOLOGY
Management's Discussion and Analysis

Introduction
The Georgia Institute of Technology (Georgia Tech or the Institute) is one of the twenty-six (26) institutions of higher education within the University System of Georgia (USG) and one of the nation's leading research universities - a university that is developing leaders who advance technology and improve the human condition.

Founded in 1885 to help move Georgia's economy into the industrial age, Georgia Tech exceeded the expectations of its founders by becoming a multi-faceted research institution that serves as a source of innovation and a driver of economic development. Georgia Tech provides a focused, technologically based education to over 40,000 undergraduate and graduate students. The Institute has many nationally recognized programs, all top-ranked by peers and publications alike, and is ranked among the nation's top public universities by *U.S. News & World Report*. Georgia Tech offers degrees through the Colleges of Computing, Design, Engineering, Sciences, the Scheller College of Business, and the Ivan Allen College of Liberal Arts, in addition to eight (8) certificate programs offered online.

Accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), Georgia Tech is a member of the Association of American Universities (AAU), an association of 65 leading research universities in the United States and Canada. As a leading technological institute, Georgia Tech has over 100 research centers and laboratories that consistently contribute vital research and innovation to government, industry, and business on a national and international scale focusing on strategic goals of championing innovation, amplifying impact and connecting globally. Equipped with the extremely rich resources of our outstanding students, faculty, and staff, strong partnerships with business, industry, and government, and support from alumni and friends, Georgia Tech is creating a culture of deliberate impact, innovation, and inclusion.

In support of the growth that Georgia Tech has realized over the last several years, Georgia Tech's student and faculty populations have increased as follows:

	FACULTY	STUDENT HEADCOUNT	STUDENT FTE
Fiscal Year 2022	1,458	43,859	32,243
Fiscal Year 2021	1,439	39,771	29,662
Fiscal Year 2020	1,419	36,489	28,319

Overview of the Financial Statements and Financial Analysis
The Institute is pleased to present its financial statements for fiscal year 2022. The emphasis of discussions about these statements will be on current year data. There are three business-type activity financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. There are also two fiduciary fund financial statements presented: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. This discussion and analysis of the Institute's financial statements provides an overview of its financial activities for the fiscal year. Comparative data is provided for fiscal year 2022 and fiscal year 2021 for business-type activities.

Statement of Net Position
The Statement of Net Position is a financial condition snapshot as of June 30, 2022 and includes all assets (both current and noncurrent), deferred outflows of resources, liabilities (both current and noncurrent) and deferred inflows of resources. The differences between current and noncurrent assets are discussed in the Notes to the Financial Statements. The Statement of Net Position 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 the operations of the Institute and how much the Institute owes vendors. The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is one indicator of the Institute's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the Institute's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment.

Net Position is divided into three major categories. The first category, net investment in capital assets, provides the Institute's equity in property, plant and equipment owned by the Institute.

The next category is restricted, which is divided into two categories, nonexpendable and expendable. The corpus of non-expendable, restricted resources is available only for investment purposes. Expendable, restricted resources are available for expenditure by the Institute, but must be spent for purposes determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.

The final category is unrestricted. Unrestricted resources are available to the Institute for any lawful purpose.

A summary comparison of the Institute's net financial position as of June 30, 2022 and June 30, 2021 is as follows:

CONDENSED STATEMENT OF NET POSITION	June 30, 2022	June 30, 2021
ASSETS		
Current Assets	$ 771,033,643	$ 627,805,275
Capital Assets, Net	2,167,947,041	2,147,715,353
Intangible Right-to-Use Assets, net	328,135,506	—
Other Assets	105,825,449	116,748,107
TOTAL ASSETS	3,372,941,639	2,892,268,735
DEFERRED OUTFLOWS OF RESOURCES	359,190,332	349,555,202
LIABILITIES		
Current Liabilities	241,614,552	184,337,184
Non-Current Liabilities	1,811,993,486	1,963,982,973
TOTAL LIABILITIES	2,053,608,038	2,148,320,157
DEFERRED INFLOWS OF RESOURCES	453,661,422	67,922,659
NET POSITION		
Net Investment in Capital Assets	1,685,763,848	1,630,363,098
Restricted, Nonexpendable	87,512,577	88,122,222
Restricted, Expendable	38,081,724	29,065,379
Unrestricted (Deficit)	(586,495,638)	(721,969,578)
TOTAL NET POSITION	$ 1,224,862,511	$ 1,025,581,121

The amounts reported for fiscal year 2021 were not adjusted for the restatement of net position related to the implementation of GASB Statement No. 87, *Leases*. See following paragraph for additional information.

In fiscal year 2022, the Institute implemented GASB Statement No. 87, *Leases*. For leases that convey control of the right-to-use another entity's non-financial asset, the lessee is required to recognize a lease obligation and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a lessee, this resulted in an increase in assets of $330,405,955 and an increase in liabilities of $292,562,042, and an increase in net position of $37,843,913 for business-type activities for fiscal year 2021 business-type activities. As a lessor, this resulted in an increase in accounts receivable of $6,467,146 and an increase in deferred inflows of resources of $6,467,146 for fiscal year 2021 business-type activities. This change is in accordance with generally accepted accounting principles. These leases were previously recognized as operating leases.

Total assets and deferred outflows of resources increased for the year by $490.3 million. This was largely due to increases of $328.1 million and $143.2 million in the categories of intangible right-to-use assets and current assets, respectively. The increase in intangible right-to-use assets was due to the implementation of GASB Statement No. 87, *Leases*, whereby the lessee is required to record an asset for leases that convey control of the right-to-use another entity's non-financial asset. The increase in current assets is primarily due to an increase in cash and cash equivalents.

Total liabilities and deferred inflows of resources increased for the year by $291.0 million primarily due to a decrease in non-current liabilities of $152.0 million and an increase of **$**385.7 million for deferred inflows. The decrease in non-current liabilities is due to a combination of the following: decreases in the proportionate share of the actuarially determined liability for Employees' Retirement System (ERS) pension plan, Teachers' Retirement System of Georgia (TRS) pension plan, and Other Post-Employment Benefits (OPEB); and the implementation of GASB Statement No. 87, *Leases*. The increase in deferred inflows of resources was largely due to the change in the proportionate share of the actuarially determined deferred gain on TRS, ERS and OPEB plans and the number of leases due to the implementation of GASB Statement No. 87, *Leases.*

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded an increase in net position of $199.3 million.

Statement of Revenues, Expenses and Changes in Net Position
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 this statement is to present the revenues received by the Institute, both operating and non-operating, and the expenses paid by the Institute, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the Institute. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the Institute. 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 Institute. 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 Institute without the Legislature directly receiving commensurate goods and services for those revenues.

A summary comparison of the Institute's activities as of June 30, 2022 and June 30, 2021 is as follows:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2022	June 30, 2021
Operating Revenue	$ 1,878,110,821	$ 1,614,632,094
Operating Expense	2,147,523,276	1,993,523,820
Operating Loss	(269,412,455)	(378,891,726)
Nonoperating Revenue and Expense	411,483,030	339,128,517
Income (Loss) before Other Revenues, Expenses, Gains or Losses	142,070,575	(39,763,209)
Other Revenues, Expenses, Gains or Losses	19,366,902	39,036,408
Change in Net Position	161,437,477	(726,801)
Net Position at Beginning of Year, Restated	1,063,425,034	1,026,307,922
Net Position at End of Year	$ 1,224,862,511	$ 1,025,581,121

The Statement of Revenues, Expenses and Changes in Net Position reflects an optimistic year, with an increase in net position at the end of the year. Some highlights of the information presented on this statement follow on the next few pages.

Revenues

For the years ended June 30, 2022 and June 30, 2021, Revenues by Source were as follows:

REVENUES BY SOURCE	June 30, 2022	June 30, 2021
Tuition and Fees	$ 487,330,902	$ 441,233,139
Grants and Contracts	1,198,204,715	1,060,005,398
Sales and Services	36,177,485	10,117,399
Auxiliary Enterprises	148,783,666	92,948,692
Other Operating Revenues	7,614,053	10,327,466
Total Operating Revenues	1,878,110,821	1,614,632,094
State Appropriations	414,103,186	320,345,279
Grants and Contracts	28,068,570	19,611,107
Gifts	1,228,480	2,009,754
Investment Income	(1,116,004)	39,858,528
Total Nonoperating Revenues	442,284,232	381,824,668
State Capital Gifts and Grants	5,009,533	35,712,319
Other Capital Gifts and Grants	2,638,924	2,689,645
Total Capital Gifts and Grants	7,648,457	38,401,964
Additions to Permanent and Term Endowments	11,750,099	634,444
Total Revenues	$ 2,339,793,609	$ 2,035,493,170

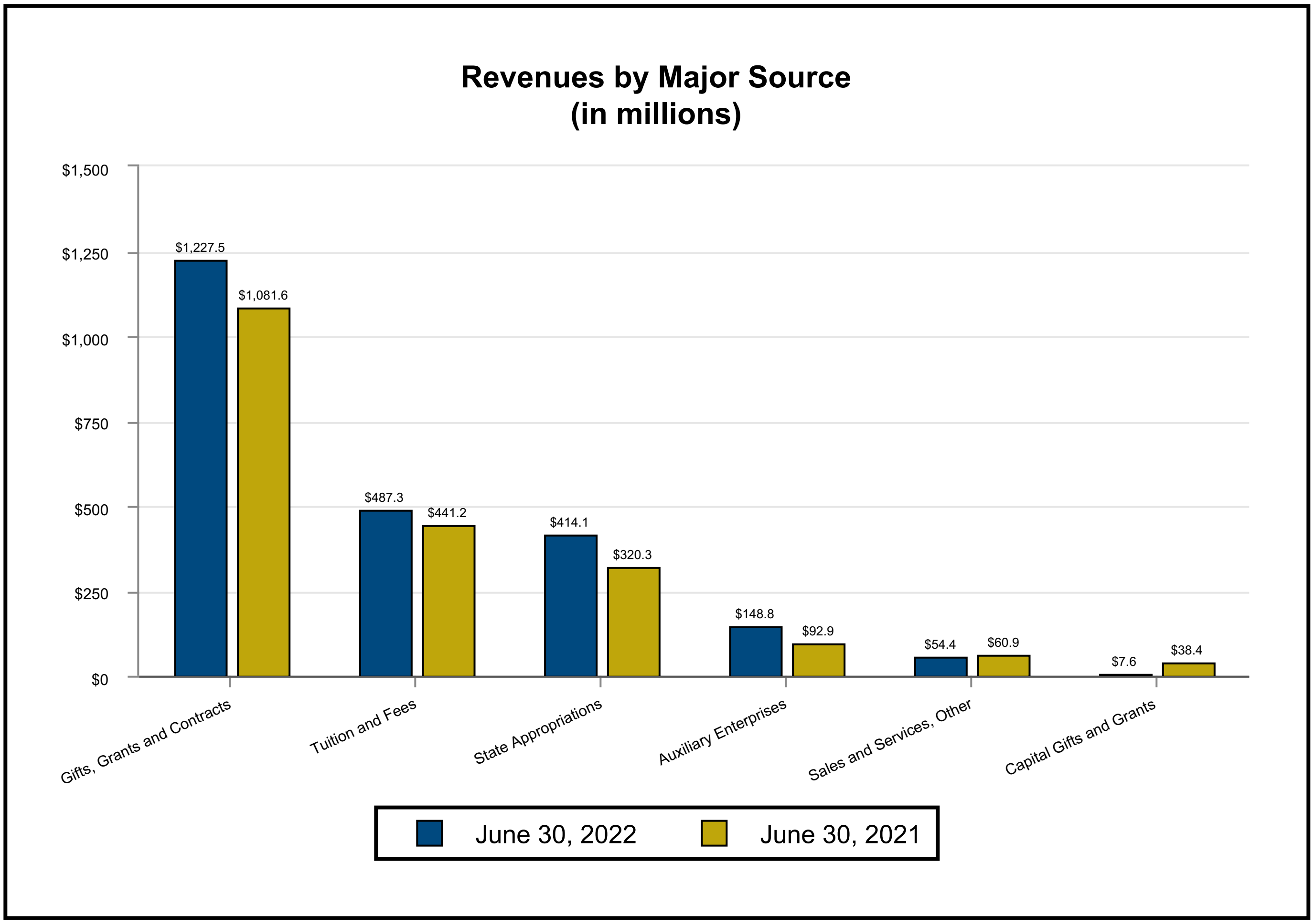
Total revenue increased by $304.3 million (14.95%) from fiscal year 2021 to fiscal year 2022. The largest driver for the increase was grants and contracts (operating and non-operating) which increased by $146.7 million. This increase represents solid performance for multi-year awards. The next categories with increases include State Appropriations which increased by $93.8 million, Auxiliary Enterprises which increased by $55.8 million, and Tuition and Fees which increased by $46.1 million.

Operating revenue increased by $263.5 million (16.32%) over the prior fiscal year. Operating Grants and Contracts increased by $138.2 million (13.04%), while Auxiliary Enterprises increased by $55.8 million (60.1%) and Tuition and Fees increased by $46.1 million (10.45%). As stated above, the increase in Grants and Contracts represents solid performance for multi-year awards. The increase in Tuition and Fees reflects an increase in enrollment. The increase in Auxiliary Enterprises is primarily due to an increase in on-campus operations in fiscal year 2022. In previous years, campus operations were reduced due to COVID-19 protocols put in place to prioritize the health and safety of the Georgia Tech community. Sales and Services and Other Operating Revenues increased by a collective amount of $23.3 million.

Nonoperating revenue which includes categories like state appropriations, grants and contracts, gifts and investment income increased by $60.5 million (15.83%) for fiscal year 2022. This increase is largely due to a combined increase in State Appropriations of $93.8 million and decrease in Investment Income of $41.0 million.

Capital Gifts and Grants decreased by $30.8 million (80.08%), mainly due to a significant addition in the prior-year for the Judge S. Price Gilbert Memorial Library ($24.5 million).

The illustration below is a comparison of the Institute's revenue sources by major category for fiscal years ended June 30, 2022 and June 30, 2021.



Total revenue was $2,339.8 and $2,035.5 million for fiscal year 2022 and fiscal year 2021, respectively, an increase of $304.3 million. The largest driver of this increase was revenue from Gifts, Grants and Contracts which totaled $1,227.5 million, an increase of $145.9 million over the prior year. This revenue source includes $77.1 million of direct expense reimbursements from the Georgia Tech Foundation, an increase of $8.1 million over the prior fiscal year.

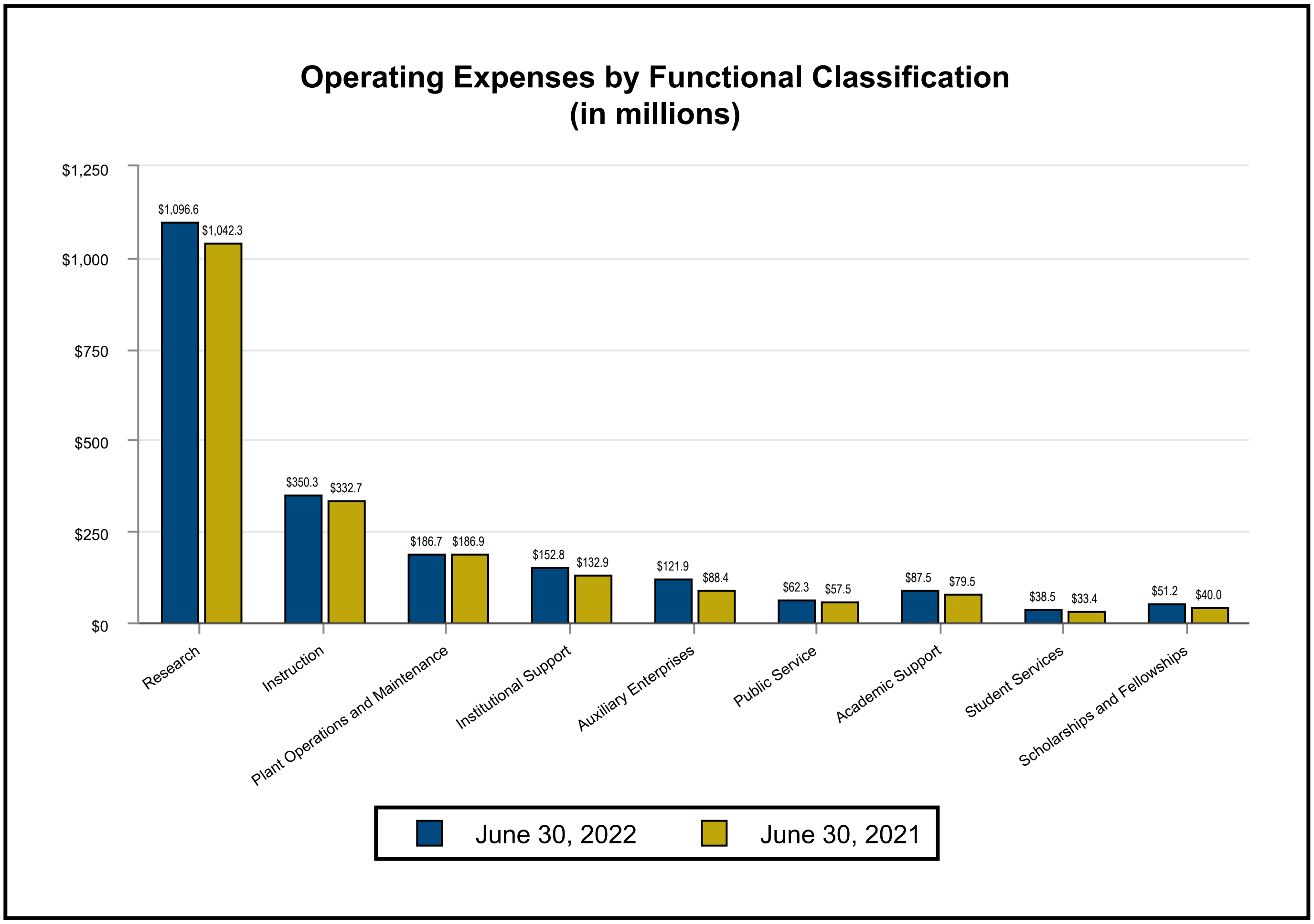
Expenses

For the years ended June 30, 2022 and June 30, 2021, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2022	June 30, 2021
Instruction	$ 350,298,973	$ 332,727,702
Research	1,096,552,646	1,042,344,330
Public Service	62,254,890	57,487,376
Academic Support	87,467,161	79,502,005
Student Services	38,461,441	33,371,881
Institutional Support	152,782,603	132,854,009
Plant Operations and Maintenance	186,660,512	186,914,505
Scholarships and Fellowships	51,178,388	39,965,101
Auxiliary Enterprises	121,866,662	88,356,911
Total Operating Expenses	2,147,523,276	1,993,523,820
Interest Expense and Other Nonoperating Expenses	30,801,202	42,696,151
Special Item	31,654	—
Total Nonoperating Expenses	30,832,856	42,696,151
Total Expenses	$ 2,178,356,132	$ 2,036,219,971

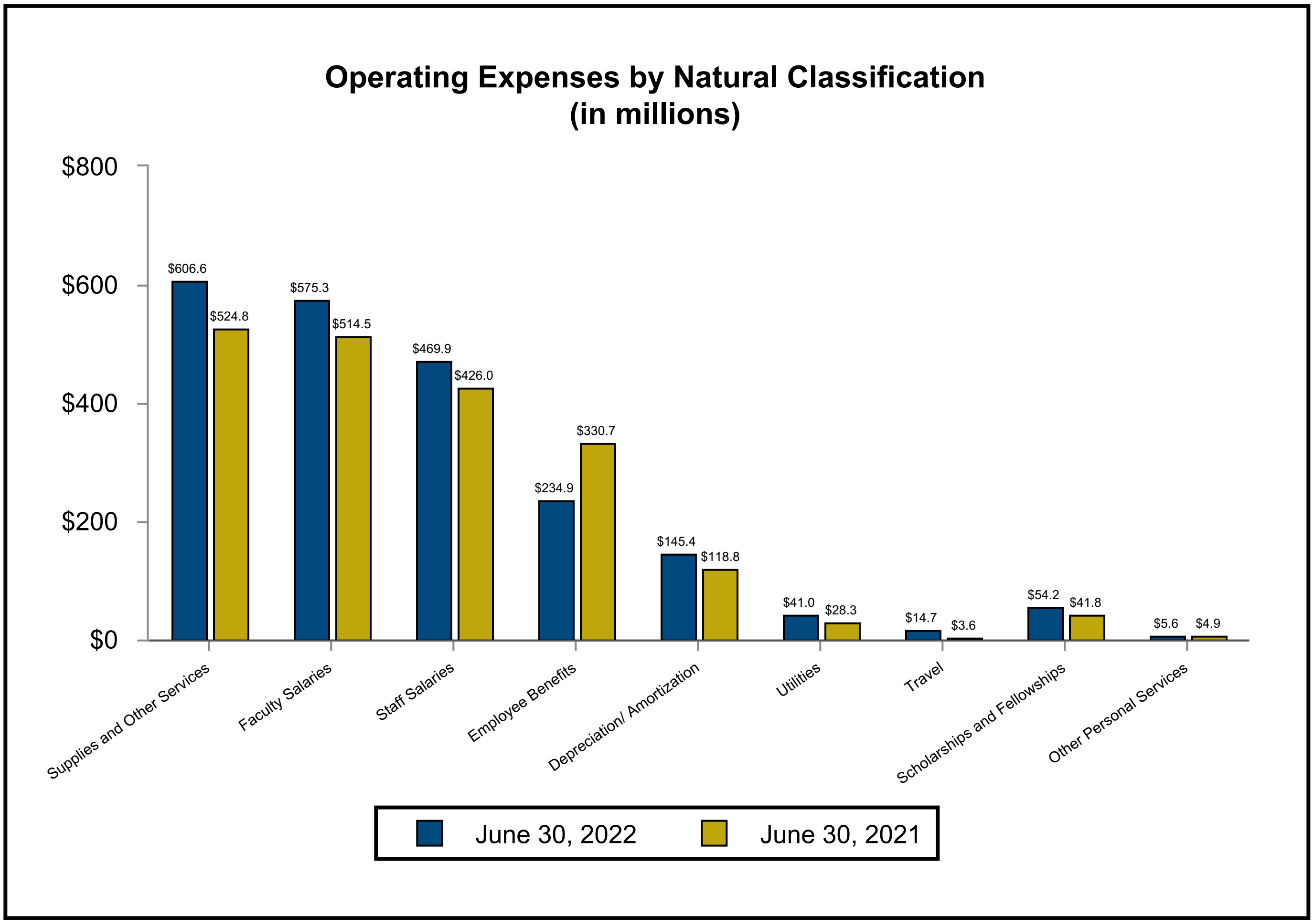
Total expenses were $2,178.4 million in fiscal year 2022, an increase of $142.1 million (6.98%) compared to the prior fiscal year. The increase in operating expense is primarily attributable to the following functional classifications: Research ($54.2 million); Auxiliary Enterprises ($33.5 million); Instruction ($17.6 million); and Institutional Support ($19.9 million). Nonoperating expenses decreased by $11.9 million (27.79%), primarily due to a decrease in capital asset retirements for fiscal year 2022.

The illustration below is a comparison of the Institute's operating expenses by functional classification for the fiscal years ended June 30, 2022 and June 30, 2021.



Total operating expenses were $2,147.5 and $1,993.5 million for fiscal year 2022 and fiscal year 2021, respectively. This represents a $154.0 million (7.73%) increase over the previous fiscal year. Operating expenses for all functional classification areas other than Plant Operations and Maintenance increased from fiscal year 2021 to 2022. Operating expenses for Research and Auxiliary Enterprises increased a collective total of $87.7 million. This increase corresponds to the increase in operating and non-operating revenue of $202.5 million for those functional areas.

The illustration below is a comparison of the Institute's operating expenses by natural classification for the fiscal years ended June 30, 2022 and June 30, 2021.



The net increase in operating expenses of $154.0 million is attributable to increases in all of the natural classifications except for Employee Benefits. Operating expenses for Supplies and Other Services increased by $81.8 million as a result of increased spending for sub-awards and grants. Faculty Salaries and Staff Salaries increased by $60.8 million and $43.9 million, respectively, as a result an increase in employees, equity adjustments, and the Cost of Living Adjustment (COLA) provided to State of Georgia employees. Expenses for Depreciation/ Amortization increased by $26.6 million due the implementation of GASB Statement No. 87, *Leases.* The Employee Benefits category decreased by $95.8 million as a result of changes to the actuarial assumptions for TRS pension plan.

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the Institute 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 Institute. 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 reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2022 and June 30, 2021 were as follows:

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2022	June 30, 2021
Cash Provided (Used) by:		
Net Cash Used by Operating Activities	$ (173,806,447)	$ (160,421,763)
Net Cash Provided by Non-Capital Financing Activities	454,648,127	343,491,078
Net Cash Used by Capital & Related Financing Activities	(182,761,615)	(145,409,541)
Net Cash Provided by Investing Activities	14,384,483	20,723,118
Net Change in Cash & Cash Equivalents	112,464,548	58,382,892
Cash & Cash Equivalents, Beginning of Year	439,796,420	381,413,528
Cash & Cash Equivalents, End of Year	$ 552,260,968	$ 439,796,420

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2022 and June 30, 2021 were as follows:

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2022	June 30, 2021
Land	$ 61,425,231	$ 61,425,231
Capitalized Collections	18,214,704	17,868,444
Construction Work-in-Progress	44,311,925	38,450,892
Infrastructure	85,495,829	90,020,412
Building and Building Improvements	1,632,303,761	1,617,076,240
Facilities and Other Improvements	65,083,477	60,658,295
Equipment	196,208,734	191,746,515
Library Collections	32,081,868	32,136,420
Software	32,821,512	38,332,904
Capital Assets, net of accumulated depreciation and amortization	$ 2,167,947,041	$ 2,147,715,353

The amounts reported for fiscal year 2021 were not adjusted for the restatement of net position related to the implementation of GASB Statement No. 87, *Leases.* For more information, see Note 1 in the Notes to the Financial Statements.

The Institute had one significant capital asset addition for fiscal year 2022: Phase 2 of the Campus Center.

Phase 2 of the Campus Center, which was constructed through a lease with Georgia Tech Facilities, Inc. (a component unit) was completed and recorded as a capital asset addition to Buildings in the amount of $64.2 million and as a capital asset addition to Facilities and Other Improvements in the amount of $5.1 million.

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

Long-Term Liabilities

The Georgia Institute of Technology had Long-Term Liabilities of $875.9 million of which $101.9 million was reflected as a current liability at June 30, 2022.

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, leases, compensated absences, retirement and other post-employment benefits, capital and intangible-right-to-use assets, and a report of operating expenses by function.

Economic Outlook

The financial position of the Georgia Institute of Technology is strong, as evidenced by the Institute's fiscal year 2022 operating results. Management anticipates that fiscal year 2023 will result in a modest increase from the prior year in terms of operating revenues and expenses as a result of strong state support and projected enrollment growth. Management intends to continue to maintain a close watch over resources in order to respond to emerging challenges and opportunities. Key to this effort is monitoring the primary sources of revenue, especially student tuition and fees, state appropriations, and sponsored programs. Management also will continue to exercise prudent controls on capital and other reserves.

Tuition

Georgia Tech's enrollment is expected to increase in alignment with the Institute Strategic Plan with a modest 2.97% enrollment increase anticipated in fiscal year 2023 for programs, exclusive of online programs. Including the online programs, the anticipated enrollment increase is roughly 4.82%. For fiscal year 2023, the Board of Regents (BOR) chose to maintain the 2022 tuition rates for all student categories. For future years, modest rate increases are anticipated, and enrollment growth is expected to continue, in alignment with the Institute Strategic Plan. The three for-credit online Master's programs at scale – Online Masters in Computer Science (OMSCS), Analytics (OMSA), and Cybersecurity (OMSC) - are continuing to have some enrollment growth, but the overall annual increase is not as significant as in previous years. The OMSCS program has grown from a fall 2014 enrollment of 1,255 to a fall 2022 projected enrollment of 12,000. In order to maintain degree quality and provide the necessary service infrastructure for that program going forward, the OMSCS program enrollment will likely remain fairly constant for the near term. The OMSA program launched in the fall of 2017 with an initial cohort of 250 students. For fall of 2022, 6,070 students are projected. The long-term steady state enrollment of the OMSA program is being considered and some growth is still anticipated. The OMSC program launched in the spring of 2019 with approximately 250 students. The fall 2022 projected enrollment for that program is 1,100. The OMSC program continues to work on retention and marketing strategies to develop its enrollment.

State Appropriations

The University System of Georgia (USG) operates under a funding formula that provides the Governor and General Assembly a basis for new system funding. The formula aggregates the funding needs of all institutions for the "Resident Instruction" fund, which supports core instructional, research, facilities, student services, and other institutional needs. The formula determining new system requirements is principally based on system-wide changes in enrollment and square footage, but the amount available to the system is contingent upon the State Legislature's approval of new system funding. Allocations to Georgia Tech and other individual USG institutions are determined by the BOR's allocation strategy, which considers the enrollment of system schools. The General Assembly appropriated a $5,000 Cost of Living Adjustment (COLA) for all eligible employees in fiscal year 2023 along with additional funds for the funding formula, maintenance and operations, health insurance and Teachers' Retirement System. The State of Georgia and the USG are expected to continue to recognize Georgia Tech's strong academic performance and steady enrollment increases, as witnessed by the Institute's receipt of an increase in total state funding of 27.44% in fiscal year 2023 over 2022.

The state earmarks funds for the Georgia Tech Research Institute (GTRI) and Enterprise Innovation Institute (EI2) and increased both budgets in fiscal year 2023 by 28.16% and 9.77%, respectively.

Sponsored Funding

In fiscal year 2022, Georgia Tech continued to grow its sponsored operations from both a financial and infrastructure perspective. Continuing to successfully navigate through the pandemic environment, the Institute received a record $1.3 billion in new sponsored awards during the fiscal year. This increase in awards is 6.49% greater than the previous year and the highest total on record. Direct and Indirect sponsored expenditures totaled $1.2 billion for the fiscal year, an increase of over 10% from the previous year. Georgia Tech anticipates that sponsored activity will remain strong in fiscal year 2023, as we continue to focus not only on our areas of strength but also on growing and emerging research areas that are of interest and value to our sponsors.

Reserves

As permitted under state law, Georgia Tech has succeeded in carrying over a portion of its indirect cost revenue for over 10 years and up to 3.00% of tuition revenue for three years, including fiscal year 2022. These funds are earmarked for capital reserves, faculty start-up, deferred maintenance, and other funding priorities in succeeding years.

Auxiliary Enterprises

Georgia Tech's Auxiliary Enterprises continue to maintain solid reserves necessary to cover required capital improvements anticipated for future years. Auxiliary programs are principally funded through both mandatory student fees for such services as transportation, student activities, and student health, and elective fees for housing, parking, dining, and other service areas. From Auxiliary reserves, the Institute was able to fund fiscal year 2022 cost increases for all areas. All areas were able to maintain their levels of service, despite directives to minimize or avoid fee increases.

Ángel Cabrera, President
Georgia Institute of Technology

James G. Fortner, Vice President for Finance and Planning
Georgia Institute of Technology

Financial Statements

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Georgia Institute of Technology	Component Units
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 302,048,043	$ 252,670,476
Cash and Cash Equivalents (Externally Restricted)	250,044,615	30,642,766
Accounts Receivable, net		
Federal Financial Assistance	23,893,095	—
Affiliated Organizations	3,018,812	427,741
Component Units	136,582,931	—
Primary Government	—	13,605,314
Pledges and Contributions	—	26,894,151
Other	26,924,873	270,636,484
Notes Receivable, net	—	551,000
Investment in Financing Lease Arrangements - Primary Government	—	19,638,210
Investment in Financing Lease Arrangements - Other	—	(524,382)
Inventories	2,054,147	—
Prepaid Items	26,467,127	2,467,757
Other Assets	—	2,835,168
Total Current Assets	771,033,643	619,844,685
Non-Current Assets		
Accounts Receivable, net		
Primary Government	—	90,056,342
Due From USO - Capital Liability Reserve Fund	3,121,580	—
Pledges and Contributions	—	56,037,784
Other	4,829,958	10,334,000
Investments	—	483,989,061
Notes Receivable, net	8,995,520	—
Investment in Financing Lease Arrangements - Primary Government	—	420,416,021
Investment in Financing Lease Arrangements - Other	—	40,768,580
Other Assets	—	33,906,260
Non-current Cash (Externally Restricted)	168,310	15,781,466
Short-term Investments (Externally Restricted)	—	4,264,306
Investments (Externally Restricted)	88,710,081	2,158,914,425
Capital Assets, net	2,167,947,041	434,228,060
Intangible Right-to-Use Assets, net	328,135,506	130,401,859
Total Non-Current Assets	2,601,907,996	3,879,098,164
TOTAL ASSETS	3,372,941,639	4,498,942,849
DEFERRED OUTFLOWS OF RESOURCES	$ 359,190,332	$ 10,057,117

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Georgia Institute of Technology	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 91,187,307	$ 19,332,626
Salaries Payable	4,764,952	—
Benefits Payable	2,776,450	—
Contracts Payable	6,557,776	—
Retainage Payable	2,014,727	1,740,796
Due to Affiliated Organizations	82,965	—
Due to Component Units	503,927	—
Due to Primary Government	—	136,582,931
Advances (Including Tuition and Fees)	29,201,639	121,674,273
Deposits	2,595,828	9,833,276
Deposits Held for Other Organizations	—	67,117,376
Other Liabilities	12,582	1,586,154
Notes and Loans Payable - External	3,903,796	30,325,898
Notes and Loans Payable - Component Units	19,638,210	—
Lease Obligations - External	15,577,202	16,723,950
Lease Obligations - Component Units	18,671,696	—
Revenue Bonds and Notes Payable	—	26,275,000
Liabilities Under Split Interest Agreements	—	2,233,000
Pollution Remediation	221,866	—
Claims and Judgments	—	125,000
Compensated Absences	43,903,629	619,000
Total Current Liabilities	241,614,552	434,169,280
Non-Current Liabilities		
Due to Affiliated Organizations	—	1,753,000
Advances (Including Tuition and Fees)	7,188,823	21,250,443
Other Liabilities	—	13,963,000
Notes and Loans Payable - External	25,536,548	112,556,111
Notes and Loans Payable - Component Units	420,416,021	—
Lease Obligations - External	186,377,921	120,209,374
Lease Obligations - Component Units	107,808,141	—
Revenue Bonds and Notes Payable	—	909,189,213
Liabilities Under Split Interest Agreements	—	19,741,000
Compensated Absences	33,806,811	—
Net Other Post-employment Benefits Liability	803,467,702	—
Net Pension Liability	227,391,519	—
Total Non-Current Liabilities	1,811,993,486	1,198,662,141
TOTAL LIABILITIES	2,053,608,038	1,632,831,421
DEFERRED INFLOWS OF RESOURCES	453,661,422	100,814,443
NET POSITION		
Net Investment in Capital Assets	1,685,763,848	(23,680,697)
Restricted for:		
Nonexpendable	87,512,577	1,914,142,531
Expendable	38,081,724	354,745,161
Unrestricted (Deficit)	(586,495,638)	530,147,107
TOTAL NET POSITION	$ 1,224,862,511	$ 2,775,354,102

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Georgia Institute of Technology	Component Units
OPERATING REVENUES		
Student Tuition and Fees (net)	$ 487,330,902	$ —
Grants and Contracts		
Federal	916,688,946	969,577,643
State	22,834,783	23,824,242
Other	258,680,986	84,350,755
Sales and Services	36,177,485	71,970,812
Rents and Royalties	1,820,835	98,351,624
Auxiliary Enterprises		
Residence Halls	80,397,743	—
Bookstore	3,194,544	—
Food Services	31,481,259	—
Parking/Transportation	19,634,279	—
Health Services	11,914,996	—
Intercollegiate Athletics	—	—
Other Organizations	2,160,845	—
Gifts and Contributions	—	72,850,422
Endowment Income	—	69,683,000
Other Operating Revenues	5,793,218	1,959,575
Total Operating Revenues	1,878,110,821	1,392,568,073
OPERATING EXPENSES		
Faculty Salaries	575,261,683	—
Staff Salaries	469,927,312	32,673,493
Employee Benefits	234,874,061	6,700,997
Other Personal Services	5,627,469	41,000
Travel	14,675,643	5,703,350
Scholarships and Fellowships	54,219,011	13,505,928
Utilities	41,013,241	3,130,690
Supplies and Other Services	606,561,808	1,207,783,530
Depreciation and Amortization	145,363,048	31,626,930
Total Operating Expenses	2,147,523,276	1,301,165,918
Operating Income (Loss)	$ (269,412,455)	$ 91,402,155

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Georgia Institute of Technology	Component Units
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	$ 414,103,186	$ —
Grants and Contracts		
Federal	28,068,570	—
Gifts	1,228,480	—
Investment Income	(1,116,004)	(120,318,353)
Interest Expense	(22,093,171)	(38,780,086)
Other Nonoperating Revenues (Expenses)	(8,708,031)	14,182,330
Net Nonoperating Revenues (Expenses)	411,483,030	(144,916,109)
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	142,070,575	(53,513,954)
Capital Grants and Gifts		
State	5,009,533	—
Other	2,638,924	3,208,944
Additions to Permanent and Term Endowments	11,750,099	42,849,783
Special Item	(31,654)	—
Total Other Revenues, Expenses, Gains or Losses	19,366,902	46,058,727
Change in Net Position	161,437,477	(7,455,227)
Net Position, Beginning of Year	1,025,581,121	2,782,809,329
Prior Year Adjustments	37,843,913	—
Net Position, Beginning of Year, Restated	1,063,425,034	2,782,809,329
Net Position, End of Year	$ 1,224,862,511	$ 2,775,354,102

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Georgia Institute of Technology
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	$ 659,718,293
Grants and Contracts (Exchange)	1,178,948,837
Payments to Suppliers	(907,194,481)
Payments to Employees	(1,053,361,868)
Payments for Scholarships and Fellowships	(54,219,011)
Loans Issued to Students	(6,167,104)
Collection of Loans from Students	6,775,077
Other Receipts	1,693,810
Net Cash Used by Operating Activities	(173,806,447)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	414,103,186
Gifts and Grants Received for Other Than Capital Purposes	41,110,776
Other Non-Capital Financing Receipts	(565,835)
Net Cash Flows Provided by Non-Capital Financing Activities	454,648,127
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	5,547,631
Purchases of Capital and Intangible Rights-to Use Assets	(92,143,617)
Principal Paid on Capital Debt and Leases	(74,319,803)
Interest Paid on Capital Debt and Leases	(21,845,826)
Net Cash Used by Capital and Related Financing Activities	(182,761,615)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	14,384,483
Net Cash Provided by Investing Activities	14,384,483
Net Increase in Cash and Cash Equivalents	112,464,548
Cash and Cash Equivalents, Beginning of Year	439,796,420
Cash and Cash Equivalents, End of Year	$ 552,260,968

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2022

		Georgia Institute of Technology
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	$	(269,412,455)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization		145,363,048
Change in Assets and Liabilities:		
Receivables, net		(34,592,627)
Inventories		(383,571)
Prepaid Items		(3,938,255)
Notes Receivable, Net		607,972
Accounts Payable		21,294,691
Salaries Payable		1,326,270
Benefits Payable		1,400,243
Deposits		(893,535)
Advances (Including Tuition and Fees)		(3,289,671)
Other Liabilities		(6,723)
Compensated Absences		5,176,500
Due to Component Units/Affiliated Organizations		(2,428,801)
Pollution Remediation		(247,544)
Net Pension Liability		(384,603,065)
Net Other Post-Employment Benefit Liability		(25,282,557)
Change in Deferred Inflows/Outflows of Resources:		
Deferred Inflows of Resources		385,738,763
Deferred Outflows of Resources		(9,635,130)
Net Cash Used by Operating Activities	$	(173,806,447)
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Capital Financing Activities Noncash Items:		
Current Year Accruals Related to Capital Financing Activities	$	339,411
Gift of Capital Assets	$	2,638,921
Loss on Disposal of Capital Assets	$	(6,276,068)
Accrual of Capital Asset Related Payables	$	12,389,164
Capital Assets Acquired by Incurring Financing Lease Arrangements	$	71,171,106
Accrual of Capital Financing Interest Payable	$	1,167,704
Other Capital Financing Activities Noncash Items	$	(713,103)
Unrealized Loss on Investments	$	(15,500,487)

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

		Custodial Funds
ASSETS		
Receivables		
Other	$	8,453,122
Total Assets		8,453,122
LIABILITIES		
Cash Overdraft		6,647,601
Total Liabilities		6,647,601
NET POSITION		
Restricted for:		
Individuals, Organizations, and Other Governments	$	1,805,521

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

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Custodial Funds
ADDITIONS	
Federal Financial Aid	$ 70,100,699
State Financial Aid	88,294,419
Other Financial Aid	22,197,949
Clubs and Other Organizations Fund Raising	728,495
Total Additions	181,321,562
DEDUCTIONS	
Scholarships and Other Student Support	180,883,806
Student Organizations Support	246,867
Total Deductions	181,130,673
Net Increase (Decrease) in Fiduciary Net Position	190,889
Net Position, Beginning of Year	1,614,632
Net Position, End of Year	$ 1,805,521

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

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2022

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
ASSETS							
Current Assets							
Cash and Cash Equivalents	$ 26,008,000	$ 9,798,197	$ 199,086,258	$ 1,340,485	$ 16,437,536	$ —	$ 252,670,476
Cash and Cash Equivalents (Externally Restricted)	16,829,000	12,167,583	—	—	1,646,183	—	30,642,766
Accounts Receivable, net							
Affiliated Organizations	—	—	385,388	42,353	—	—	427,741
Component Units	—	—	715,797	—	—	(715,797)	—
Primary Government	263,501	—	13,325,965	200	15,648	—	13,605,314
Pledges and Contributions	24,004,000	—	—	2,864,318	25,833	—	26,894,151
Other	19,116,499	—	236,490,244	15,025,326	4,415	—	270,636,484
Notes Receivable, net	551,000	—	—	—	—	—	551,000
Investment in Financing Lease Arrangements - Primary Government	9,005,000	11,093,930	—	—	1,510,760	(1,971,480)	19,638,210
Investment in Financing Lease Arrangements - Other	—	—	466,731	—	(991,113)	—	(524,382)
Prepaid Items	—	405,657	1,383,509	670,586	8,005	—	2,467,757
Other Assets	2,233,000	—	—	—	602,168	—	2,835,168
Total Current Assets	98,010,000	33,465,367	451,853,892	19,943,268	19,259,435	(2,687,277)	619,844,685
Non-Current Assets							
Accounts Receivable, net							
Primary Government	—	—	90,056,342	—	—	—	90,056,342
Pledges and Contributions	50,361,000	—	—	5,178,171	498,613	—	56,037,784
Other	10,334,000	—	—	—	—	—	10,334,000
Investments	644,110,000	—	61	—	—	(160,121,000)	483,989,061
Investment in Financing Lease Arrangements - Primary Government	87,440,000	281,698,316	—	—	58,906,424	(7,628,719)	420,416,021
Investment in Financing Lease Arrangements - Other	—	—	1,413,646	—	39,354,934	—	40,768,580
Other Assets	30,503,000	2,712,500	84,536	606,224	—	—	33,906,260
Non-current Cash (Externally Restricted)	—	15,781,258	—	—	208	—	15,781,466
Short-term Investments (Externally Restricted)	—	—	—	4,264,306	—	—	4,264,306
Investments (Externally Restricted)	1,999,551,000	—	—	159,363,425	—	—	2,158,914,425
Capital Assets, net	149,012,000	25,256,993	617,524	172,828,058	86,513,485	—	434,228,060
Intangible Right-of-Use, net	—	—	100,805,239	—	29,596,620	—	130,401,859
Total Non-Current Assets	2,971,311,000	325,449,067	192,977,348	342,240,184	214,870,284	(167,749,719)	3,879,098,164
TOTAL ASSETS	3,069,321,000	358,914,434	644,831,240	362,183,452	234,129,719	(170,436,996)	4,498,942,849
DEFERRED OUTFLOWS OF RESOURCES	$ —	$ —	$ —	$ 10,057,117	$ —	$ —	$ 10,057,117

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

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2022

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
LIABILITIES							
Current Liabilities							
Accounts Payable	$ 9,661,767	$ 3,898,148	$ —	$ 4,613,634	$ 1,159,077	$ —	$ 19,332,626
Retainage Payable	—	1,628,339	—	—	112,457	—	1,740,796
Due to Component Units	—	—	715,797	—	—	(715,797)	—
Due to Primary Government	5,084,233	1,879,371	127,236,159	2,383,168	—	—	136,582,931
Advances (Including Tuition and Fees)	12,129,000	1,211,132	104,491,565	718,407	3,124,169	—	121,674,273
Deposits	292,000	—	—	9,274,800	266,476	—	9,833,276
Deposits Held for Other Organizations	—	—	67,117,376	—	—	—	67,117,376
Other Liabilities	—	—	—	—	1,586,154	—	1,586,154
Notes and Loans Payable - External	14,083,000	—	482,029	13,174,332	2,586,537	—	30,325,898
Lease Obligations - External	—	—	13,101,473	491,151	3,131,326	—	16,723,950
Revenue Bonds & Notes Payable	12,505,000	10,675,000	—	1,935,000	1,160,000	—	26,275,000
Liabilities Under Split Interest Agreements	2,233,000	—	—	—	—	—	2,233,000
Claims and Judgments	—	—	—	125,000	—	—	125,000
Compensated Absences	619,000	—	—	—	—	—	619,000
Total Current Liabilities	56,607,000	19,291,990	313,144,399	32,715,492	13,126,196	(715,797)	434,169,280
Non-Current Liabilities							
Due to Affiliated Organizations	1,753,000	—	—	—	—	—	1,753,000
Due to Component Units	160,121,000	—	—	—	—	(160,121,000)	—
Advances (Including Tuition and Fees)	—	11,229,122	—	—	10,021,321	—	21,250,443
Other Liabilities	13,963,000	—	—	—	—	—	13,963,000
Notes and Loans Payable - External	57,848,000	—	1,398,348	8,223,365	45,086,398	—	112,556,111
Lease Obligations - External	—	—	89,956,825	465,322	29,787,227	—	120,209,374
Revenue Bonds & Notes Payable	313,320,000	285,948,253	—	253,309,288	56,611,672	—	909,189,213
Liabilities Under Split Interest Agreements	19,741,000	—	—	—	—	—	19,741,000
Total Non-Current Liabilities	566,746,000	297,177,375	91,355,173	261,997,975	141,506,618	(160,121,000)	1,198,662,141
TOTAL LIABILITIES	623,353,000	316,469,365	404,499,572	294,713,467	154,632,814	(160,836,797)	1,632,831,421
DEFERRED INFLOWS OF RESOURCES	—	—	100,814,443	—	—	—	100,814,443
NET POSITION							
Net Investment in Capital Assets	(3,958,000)	24,668,838	617,524	(80,195,203)	35,186,144	—	(23,680,697)
Restricted for:							
Nonexpendable	1,844,634,000	—	—	69,508,531	—	—	1,914,142,531
Expendable	252,838,000	202,691	4,717,786	96,827,764	158,920	—	354,745,161
Unrestricted	352,454,000	17,573,540	134,181,915	(8,613,990)	44,151,841	(9,600,199)	530,147,107
TOTAL NET POSITION	$2,445,968,000	$ 42,445,069	$ 139,517,225	$ 77,527,102	$ 79,496,905	$ (9,600,199)	$2,775,354,102

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

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
OPERATING REVENUES							
Grants and Contracts							
Federal	$ —	$ —	$ 969,577,643	$ —	$ —	$ —	$ 969,577,643
State	—	—	23,824,242	—	—	—	23,824,242
Other	—	—	84,326,588	—	24,167	—	84,350,755
Sales and Services	22,000	356,582	—	71,470,223	122,007	—	71,970,812
Rents and Royalties	37,983,000	11,612,965	18,453,877	9,636,135	18,533,447	2,132,200	98,351,624
Gifts and Contributions	63,172,000	—	4,601,696	4,034,550	1,042,176	—	72,850,422
Endowment Income	69,683,000	—	—	—	—	—	69,683,000
Other Operating Revenues	—	—	1,200,000	—	759,575	—	1,959,575
Total Operating Revenues	170,860,000	11,969,547	1,101,984,046	85,140,908	20,481,372	2,132,200	1,392,568,073
OPERATING EXPENSES							
Staff Salaries	3,125,000	—	—	28,667,326	881,167	—	32,673,493
Employee Benefits	820,000	—	—	5,880,997	—	—	6,700,997
Other Personal Services	41,000	—	—	—	—	—	41,000
Travel	42,000	—	—	5,661,350	—	—	5,703,350
Scholarships and Fellowships	—	—	—	13,505,928	—	—	13,505,928
Utilities	2,824,000	193,750	—	—	112,940	—	3,130,690
Supplies and Other Services	106,909,000	2,237,054	1,052,461,333	33,347,696	12,828,447	—	1,207,783,530
Depreciation and Amortization	4,869,000	1,209,922	13,747,754	9,009,197	2,791,057	—	31,626,930
Total Operating Expenses	118,630,000	3,640,726	1,066,209,087	96,072,494	16,613,611	—	1,301,165,918
Operating Income (Loss)	$ 52,230,000	$ 8,328,821	$ 35,774,959	$ (10,931,586)	$ 3,867,761	$ 2,132,200	$ 91,402,155

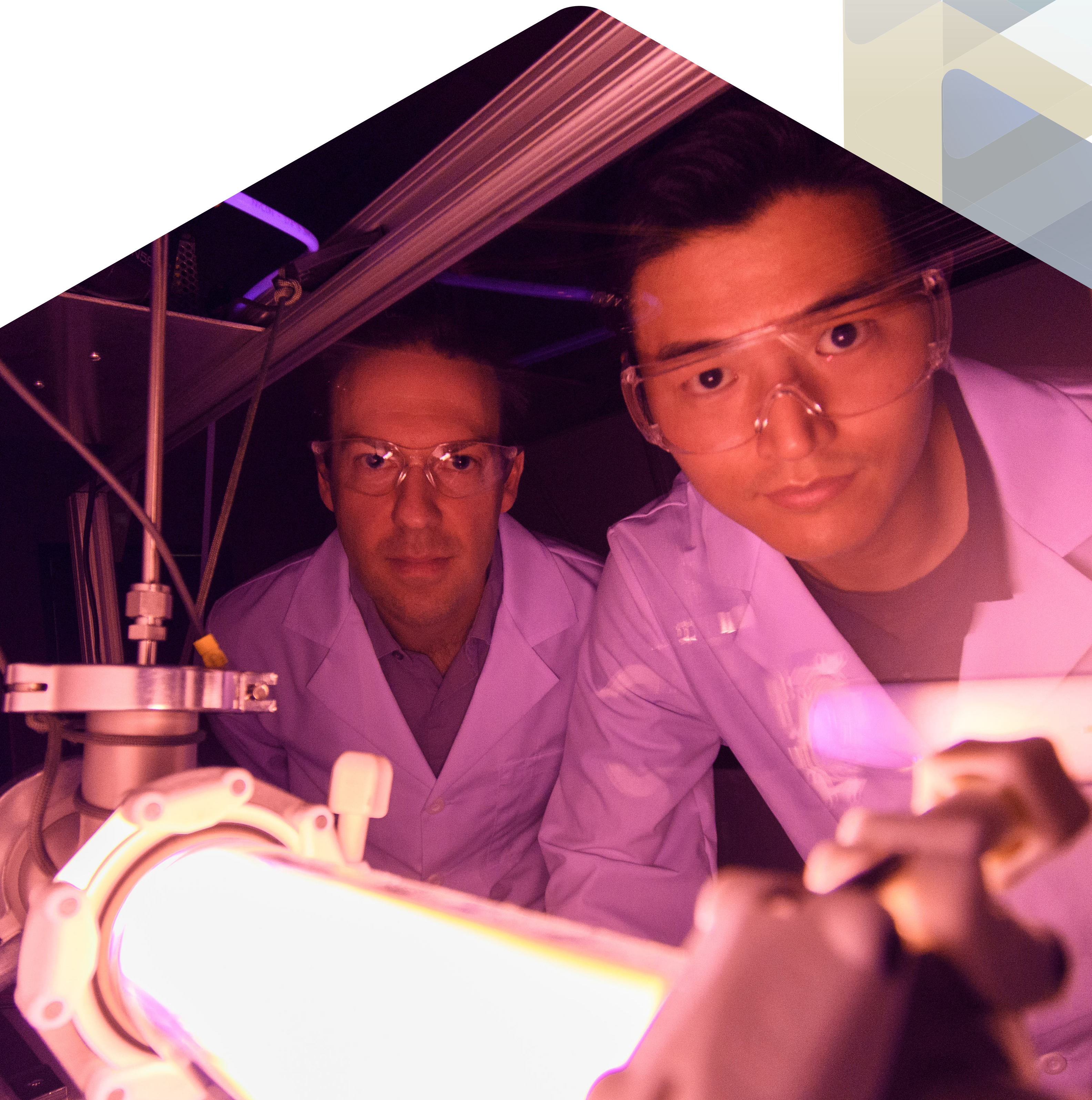
The notes to the financial statements are an integral part of this statement.

GEORGIA INSTITUTE OF TECHNOLOGY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Georgia Tech Foundation, Inc.	Georgia Tech Facilities, Inc.	Georgia Tech Research Corporation	Georgia Tech Athletic Association	Georgia Advanced Technology Ventures, Inc.	Elimination/ Consolidation Entries	Total
NONOPERATING REVENUES (EXPENSES)							
Investment Income	$ (118,024,000)	$ (231,222)	$ 431,861	$ (2,494,992)	$ —	$ —	$ (120,318,353)
Interest Expense	(12,931,000)	(8,139,558)	—	(12,779,223)	(4,930,305)	—	(38,780,086)
Other Nonoperating Revenues (Expenses)	—	(43,310)	—	—	14,225,640	—	14,182,330
Net Nonoperating Revenues (Expenses)	(130,955,000)	(8,414,090)	431,861	(15,274,215)	9,295,335	—	(144,916,109)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(78,725,000)	(85,269)	36,206,820	(26,205,801)	13,163,096	2,132,200	(53,513,954)
Capital Grants and Gifts							
Other	—	—	—	3,208,944	—	—	3,208,944
Additions to Permanent and Term Endowments	37,770,000	—	—	5,079,783	—	—	42,849,783
Total Other Revenues, Expenses, Gains or Losses	37,770,000	—	—	8,288,727	—	—	46,058,727
Change in Net Position	(40,955,000)	(85,269)	36,206,820	(17,917,074)	13,163,096	2,132,200	(7,455,227)
Net Position, Beginning of Year	2,486,923,000	42,530,338	103,310,405	95,444,176	66,333,809	(11,732,399)	2,782,809,329
Net Position, End of Year	$2,445,968,000	$ 42,445,069	$139,517,225	$ 77,527,102	$ 79,496,905	$ (9,600,199)	$2,775,354,102

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

Notes to the Financial Statements



GEORGIA INSTITUTE OF TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies

Nature of Operations
The Georgia Institute of Technology (Georgia Tech or the Institute) serves the state 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
As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, the Institute is part of the University System of Georgia (USG), an organizational unit of the State of Georgia (the State) under the governance of the Board of Regents (Board). The Board has constitutional authority to govern, control and manage the USG. The Board is composed of 19 members, one member from each congressional district in the State and five additional members from the state-at-large, appointed by the Governor and confirmed by the Senate. Members of the Board serve a seven year term and members may be reappointed to subsequent terms by a sitting governor.

The Institute does not have the right to sue/be sued without recourse to the State. The Institute'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. In addition, the Institute is not legally separate from the State. Accordingly, the Institute 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 of Georgia's Annual Comprehensive Financial Report (ACFR) 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 Institute. 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, 2022, 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 ACFR. The most recent State of Georgia ACFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at https://sao.georgia.gov/statewide-reporting/acfr.

Discretely Presented Component Units
The organizations listed below are legally separate, tax-exempt component units of the State of Georgia. 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. These organizations met the requirements for discrete presentation as defined by GASB Codification Sections 2100 and 2600. Each organization's fiscal year ends on June 30. Separately issued financial statements are available as indicated below.

- Georgia Advanced Technology Ventures Inc. - 221 Uncle Heinie Way, Lyman Hall Suite 325, Atlanta, GA, 30332-0257 or found at http://gatv.gatech.edu/financial-statements.
- Georgia Tech Athletic Association - 150 Bobby Dodd Way, NW, Atlanta, GA 30332-0455 or found at http://fin-services.gatech.edu/affiliated-organization-financial-statements.
- Georgia Tech Facilities Inc. - 221 Uncle Heinie Way, NW, Lyman Hall Suite 325, Atlanta GA 30332-0257 or found at http://gtfi.gatech.edu/financial-statements.
- Georgia Tech Foundation Inc. - 760 Spring Street, NW, Suite 400, Atlanta, GA 30308 or found at http://www.gtf.gatech.edu/financial-statements.

- Georgia Tech Research Corporation - 926 Dalney Street NW, Atlanta, GA 30332-0415 or found at http://gtrc.gatech.edu/gtrc/documents/financial-information.

See Note 20, Component Units, 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 Institute's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

The Institute'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 Institute reports the following fiduciary funds:

- Custodial Funds - Accounts for activities resulting from the Institute acting as an agent or fiduciary for various governments, companies, clubs or individuals.

New Accounting Pronouncements
In June 2017, the GASB issued Statement No. 87, *Leases,* effective for fiscal years beginning after December 15, 2019. In fiscal year 2020, the Institute adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which postponed the effective date of Statement No. 87 to fiscal year 2022. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The adoption of this statement resulted in a restatement of the net position of the business-type activities.

In June 2018, the GASB issued Statement No. 89*, Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019. In fiscal year 2020, the Institute adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 89 to fiscal year 2022. The objectives of this statement are to both enhance the relevance and comparability of information about capital assets and the cost of borrowing and to simplify accounting for interest costs incurred before the end of a construction period. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, effective for fiscal years beginning after June 15, 2020. In fiscal year 2020, the Institute adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 92 to fiscal year 2022. The objective of this statement is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by focusing on practice issues that have been identified during the implementation of various GASB Statements. The adoption of this statement does not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* effective for years beginning after June 15, 2020. In fiscal year 2020, the Institute adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 93 to fiscal year 2022. This statement establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates in hedging derivative instruments and leases. This statement also identifies appropriate benchmark interest rates for hedging derivative instruments. The adoption of this statement does not have a significant impact on the financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* effective for fiscal years beginning after December 15, 2021. This statement establishes a new designation of the acronym for state and local government annual financial statements, the Annual Comprehensive Financial Report (ACFR). The adoption of this statement resulted in changes to the naming convention used throughout the report, but has no impact on the financial information provided.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022, effective for certain elements of the requirement effective upon issuance. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation. The adoption of this statement does not have a significant impact on the 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 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 Institute 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 Diversified Fund and Legal Fund are included in 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 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 Institute's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories
Consumable supplies are recorded using the consumption method and are valued at cost on the Statement of Net Position using the average-cost basis. Resale inventories are also 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, 2022 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 Institute'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. Improvements to buildings, infrastructure, facilities and other improvements, and land 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 life of the asset, generally 40 to 50 years for buildings, 25 years for infrastructure, 20 years for facilities and other improvements, 10 years for library collections, 5 to 10 years for equipment and 3 to 10 years for software assets. Non-research buildings are generally depreciated over 40 to 50 years as indicated above. Research buildings are depreciated by building component such as elevators, general structure, heating, ventilation and air conditioning, roof, etc. The useful life of these components is generally between 20 and 50 years. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, facilities and other improvements and intangible assets.

To fully understand plant additions in the Institute, 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.

Intangible Right-To-Use Assets
The Institute leases certain academic spaces, administrative offices, and equipment under lease agreements. The Institute has both leases under which it is obligated as a lessee and leases for which it is a lessor. Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. Financed leases, which transfer ownership, are included in capital assets and notes payable on the Statement of Net Position.

An intangible right-to-use asset represents the Institute's right to use an underlying asset for the lease term. Lease obligations represent the Institute's liability to make lease payments arising from the lease agreement. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Rental income arising from leases where the Institute is the lessor is included as a receivable and deferred inflow of resources at the commencement of the lease. Revenue is recognized on a straight line basis over the lease term.

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 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 lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The balance included on the Institute's Statement of Net Position as Due from USO - Capital Liability Reserve Fund represents the Institute's contribution to the Fund.

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.

Pollution Remediation Obligations
Pollution remediation obligations are recorded when the Institute 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) 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) and Net OPEB Liability
The net OPEB liability represents the Institute'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 of the Board of Regents Retiree Health Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions and Net Pension Liability
The net pension liability represents the Institute'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 and 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 and Employees’ Retirement System of Georgia. 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.

Net Position
The Institute’s net position is classified as follows:

Net investment in capital assets represents the Institute’s total investment in capital assets, net of outstanding debt obligations related to those capital assets and intangible right-to-use assets. To the extent debt has been incurred but not yet expended for capital assets or intangible right-to use 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. The Institute 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 Institute 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 Institute, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended 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 Institute's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Income Taxes
The Institute, as a political subdivision of the State of Georgia, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

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 Institute, 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 Institute's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the Institute has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of $54,744,989.

Special Items
The Institute transferred property to Augusta University and Gordon State College in fiscal year 2022 consisting of equipment with a net book value of $13,223 and $15,391, respectively. The Institute also transferred property to the Department of Corrections and Georgia Emergency Management Agency with a net book value of $970 and $2,070, respectively.

Restatement of Prior Year Net Position
The Institute made prior period adjustments due to the adoption of GASB Statement No. 87, *Leases.* Under this statement, a lessee is required to recognize a lease obligation and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a lessee, the result is an increase in assets of $330,405,955, an increase in liabilities of $292,562,042, and an increase in net position of $37,843,913 for business-type activities. As a lessor, the result is an increase in accounts receivable of $6,467,146 and an increase in deferred inflows of resources of $6,467,146 for business-type activities. This change is in accordance with generally accepted accounting principles.

	Business-type Activities
Net position, beginning of year, as originally reported	$ 1,025,581,121
Changes in accounting principles	37,843,913
Net position, beginning of year, restated	$ 1,063,425,034

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2022 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	$ 302,048,043
Cash and Cash Equivalents (Externally Restricted)	250,044,615
Noncurrent	
Noncurrent Cash (Externally Restricted)	168,310
Noncurrent Investments (Externally Restricted)	88,710,081
Statement of Fiduciary Net Position	
Cash and Cash Equivalents	(6,647,601)
	$ 634,323,448

Cash on hand, deposits and investments as of June 30, 2022 consist of the following:

Cash on Hand	$ 14,950
Deposits with Financial Institutions	50,412,153
Investments	583,896,345
	$ 634,323,448

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 Institute's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the Institute) 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 Institute 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, 2022, the bank balances of the Institute’s deposits totaled $55,334,318. This balance includes deposits in fiduciary funds as these balances are not separable from the holdings of the Institute. Of these deposits, $73,741 were exposed to uninsured and uncollateralized custodial credit risk as follows:

Uninsured and uncollaterized	$ 73,741

B. Investments

The Institute 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* 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 Institute's investments measured at fair value on a recurring basis and at net asset value as of June 30, 2022.

	Fair Value	Fair Value Hierarchy Level 1	Level 2	Level 3
Investment type:				
Debt Securities				
Corporate Debt	$ 509,204	$ —	$ 509,204	$ —
Money Market Mutual Funds	168,310	168,310	—	—
Mutual Bond Funds	112,717	112,717	—	—
Other Investments				
Equity Mutual Funds - Domestic	389,000	389,000	—	—
Equity Mutual Funds - International	287,683	287,683	—	—
Equity Securities - Domestic	939,672	939,672	—	—
Equity Securities - International	183,508	—	183,508	—
Real Estate Held for Investment Purposes	374,367	—	—	374,367
Real Estate Investment Trusts	218,144	218,144	—	—
	$ 3,182,605	$ 2,115,526	$ 692,712	$ 374,367
Investment Pools				
Board of Regents				
Short-Term Fund	338,498,703			
Legal Fund	5,862,813			
Diversified Fund	79,832,973			
Office of the State Treasurer				
Georgia Fund 1	156,519,251			
Total Investments	$ 583,896,345			

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. The fair values of the investment in this category have been estimated using the net asset value of the Institute's ownership interest in partners' capital. These investments are less liquid and, generally, cannot be redeemed with the funds through normal redemption procedures. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

The Institute holds positions in investment pools managed by the Georgia Office of the State Treasurer and the USG. 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 Institute 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 U.S. Securities and Exchange Commission 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 University System 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 Institute's position in the 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 ¾ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Institute's position in the Short-Term Fund at June 30, 2022 was $338,498,703, of which 100% is invested in debt securities. The Effective Duration of the Fund is 0.96 years.

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 Institute's position in the Legal Fund at June 30, 2022 was $5,862,813. The Effective Duration of the Fund is 3.32 years.

3. 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 Institute's position in the Diversified Fund at June 30, 2022 was $79,832,973, of which 28% is invested in debt securities. The Effective Duration of the Fund is 5.9 years.

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, $1.00 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 43 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 Institute's policy for managing interest rate risk is to comply with University System of Georgia policy and applicable Federal and State laws.

The following table presents the interest rate risk for the Institute's debt investment at June 30, 2022, utilizing segmented time distribution methods:

	Investment Maturity					
	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
Corporate Debt	$ 509,203	$ —	$ 9,951	$ 417,413	$ 69,687	$ 12,152
Money Market Mutual Funds	168,310	168,310	—	—	—	—
Mutual Bond Funds	112,717	—	—	12,870	85,176	14,671
	$ 790,230	$ 168,310	$ 9,951	$ 430,283	$ 154,863	$ 26,823
Other Investments						
Equity Mutual Funds - Domestic	389,000					
Equity Mutual Funds - International	287,683					
Equity Securities - Domestic	939,671					
Equity Securities - International	183,510					
Real Estate Held for Investment Purposes	374,367					
Real Estate Investment Trusts	218,144					
Investment Pools						
Board of Regents						
Short-Term Fund	338,498,703					
Legal Fund	5,862,813					
Diversified Fund	79,832,973					
Office of the State Treasurer						
Georgia Fund 1	156,519,251					
Total Investments	$ 583,896,345					

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 Institute will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Institute's policy for managing custodial credit risk for investments is an integral part of its current investment policies dated May 16, 2005, which specifies how counterparties are selected and how investments are to be held on behalf of the Institute. These policies can be obtained from Georgia Tech's website at https://www.treasury.gatech.edu/policies-procedures.

At June 30, 2022, $1,707,689 was uninsured and held by the investment's counterparty's trust department or agent, but not in the Institute's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Institute's policy for managing custodial credit risk for investments is an integral part of its current investment policies dated May 16, 2005, which specifies how counterparties are selected and how investments are to be held on behalf of the Institute. These policies can be obtained from Georgia Tech's website at https://www.treasury.gatech.edu/policies-procedures.

The investments subject to credit quality risk are reflected below:

	Fair Value	AAA	AA	A	BBB	Unrated
Related Debt Investments						
Corporate Debt	$ 509,203	$ —	$ 36,985	$ 234,735	$ 237,483	$ —
Money Market Mutual Funds	168,310	168,310	—	—	—	—
Mutual Bond Funds	112,717	—	—	—	—	112,717
	$ 790,230	$ 168,310	$ 36,985	$ 234,735	$ 237,483	$ 112,717

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 Institute's policy for managing concentration of credit risk for investments is an integral part of its current investment policies dated May 16, 2005, which overviews concentration guidelines not allowing more than 20% of the total investment portfolio to be concentrated in any one issuer other than the U. S. Treasury or other Federal Government agencies.

At June 30, 2022, approximately 58%, 14%, and 27% of the Institute's investments were investments in the Board of Regents Short Term Fund Pool, Board of Regents Diversified Funds Pool, and Local Government Investment Pool (Georgia Fund 1), respectively. None of these counterparties or positions represent an individual issuer.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2022:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	$ 4,815,833	$ —
Auxiliary Enterprises and Other Operating Activities	6,369,917	—
Federal Financial Assistance	23,893,095	338,712
Georgia Student Finance Commission	—	8,078,456
Georgia State Financing and Investment Commission	339,411	—
Due from Affiliated Organizations	3,018,812	—
Due from Component Units	136,582,931	—
Due From USO - Capital Liability Reserve Fund	3,121,580	—
Other	21,676,950	35,954
	199,818,529	8,453,122
Less: Allowance for Doubtful Accounts	1,447,280	—
Net Accounts Receivable	$ 198,371,249	$ 8,453,122

Other accounts receivable includes $5,742,789 in lease receivables where the Institute is a lessor.

Note 4 Inventories

Inventories consisted of the following at June 30, 2022:

Consumable Supplies	$ 1,745,586
Merchandise for Resale	308,561
Total	$ 2,054,147

Note 5 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2022. 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 Institute for amounts canceled under these provisions. As the Institute 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 Institute 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, 2022, the allowance for uncollectible loans was $622,212.

Note 6 Capital Assets and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2022 are shown below:

	(Restated) Balance July 1, 2021	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	$ 61,425,231	$ —	$ —	$ —	$ 61,425,231
Capitalized Collections	17,868,444	—	346,260	—	18,214,704
Construction Work-in-Progress	38,450,892	—	122,994,351	117,133,318	44,311,925
Total Capital Assets Not Being Depreciated	117,744,567	—	123,340,611	117,133,318	123,951,860
Capital Assets, Being Depreciated/ Amortized:					
Infrastructure	129,498,074	—	2,441,612	—	131,939,686
Building and Building Improvements	2,303,827,698	—	100,583,569	10,796,286	2,393,614,981
Facilities and Other Improvements	81,424,263	—	8,223,082	—	89,647,345
Equipment	660,308,109	(203,721)	45,158,106	29,430,636	675,831,858
Library Collections	152,548,946	—	6,065,509	1,587,245	157,027,210
Software	52,479,245	—	486,938	—	52,966,183
Total Capital Assets Being Depreciated/Amortized	3,380,086,335	(203,721)	162,958,816	41,814,167	3,501,027,263
Less: Accumulated Depreciation/ Amortization					
Infrastructure	39,477,662	—	6,966,195	—	46,443,857
Building and Building Improvements	717,356,068	—	52,699,344	8,744,192	761,311,220
Facilities and Other Improvements	20,765,968	—	3,797,900	—	24,563,868
Equipment	468,561,594	(172,068)	36,906,159	25,672,561	479,623,124
Library Collections	120,412,526	—	6,120,061	1,587,245	124,945,342
Software	14,146,341	—	5,998,330	—	20,144,671
Total Accumulated Depreciation/ Amortization	1,380,720,159	(172,068)	112,487,989	36,003,998	1,457,032,082
Total Capital Assets, Being Depreciated/Amortized, Net	1,999,366,176	(31,653)	50,470,827	5,810,169	2,043,995,181
Capital Assets, net	$ 2,117,110,743	$ (31,653)	$ 173,811,438	$ 122,943,487	$ 2,167,947,041

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the Institute when complete. For projects managed by the Institute, the Institute retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2022, GSFIC had construction in progress of approximately $2,453,858 for incomplete GSFIC managed projects for the Institute. For the year ended June 30, 2022, the Institute recorded $5,009,533 in capital additions from GSFIC projects managed by the Institute and recorded $2,638,924 in capital additions from donations.

The Institute transferred property to Augusta University and Gordon State College in fiscal year 2022 consisting of equipment with a net book value of $13,223 and $15,391, respectively. The Institute also transferred property to the Department of Corrections and Georgia Emergency Management Agency with a net book value of $970 and $2,070, respectively.

Changes in intangible right-to-use assets for the year ended June 30, 2022 are shown below:

	(Restated) Beginning Balance July 1, 2021	Additions	Reductions	Ending Balance June 30, 2022
Intangible Right-to-use Assets				
Building and Building Improvements	$ 353,685,111	$ —	$ —	$ 353,685,111
Facilities and Other Improvements	7,325,454	—	—	7,325,454
Total Leased Assets Being Amortized	361,010,565	—	—	361,010,565
Less: Accumulated Amortization				
Building and Building Improvements	—	32,177,397	—	32,177,397
Facilities and Other Improvements	—	697,662	—	697,662
Total Accumulated Amortization	—	32,875,059	—	32,875,059
Intangible Right-to-use Assets, net	$ 361,010,565	$ (32,875,059)	$ —	$ 328,135,506

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2022:

	Current Liabilities	Non-Current Liabilities
Prepaid Tuition and Fees	$ 25,852,429	$ —
Research	—	4,476,323
Other - Advances	3,349,210	2,712,500
Totals	$ 29,201,639	$ 7,188,823

The Institute had no fiduciary fund advances related to student support.

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2022 were as follows:

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
Leases					
Lease Obligations	$ 361,010,565	$ —	$ 32,575,605	$ 328,434,960	$ 34,248,898
Other Liabilities					
Compensated Absences	72,533,940	56,599,075	51,422,575	77,710,440	43,903,629
Notes and Loans Payable	440,067,667	71,171,106	41,744,198	469,494,575	23,542,006
Pollution Remediation	469,409	221,866	469,409	221,866	221,866
Total	513,071,016	127,992,047	93,636,182	547,426,881	67,667,501
Total Long-Term Obligations	$ 874,081,581	$ 127,992,047	$ 126,211,787	$ 875,861,841	$ 101,916,399

The July 1, 2021 balances for lease obligations and notes and loans payable were restated due to the adoption of GASB Statement No. 87. Lease obligations decreased by $138,662,493 and notes and loans payable increased by $431,224,535 for a net effect of $292,562,042. See Note 1 – Changes in Accounting Principles for additional information related to these transactions.

See Note 13, Leases, for information related to lease obligations. See Note 14, Retirement Plans, for information related to net pension liability. See Note 17, Post-Employment Benefits Other Than Pension Benefits, for information related to net other post employment benefits liability.

Pollution Remediation

The Institute 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. There are no expected recoveries that have reduced this liability.

Notes and Loans Payable

Energy Performance Contracts

The Institute entered into a notes payable to secure Energy Performance Contracts. The interest rates for the notes are between 2.04% - 2.64% and the notes mature during fiscal year 2031. The Institute's principal and interest payments related to this note payable for fiscal year 2022 were $1,737,535 and $200,828, respectively. The Institute has $7,105,597 in outstanding notes and loans payable for Energy Performance Contracts.

Financing Lease Agreements

The Institute is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the asset(s) transfers ownership at the end of the agreement.

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 Institute. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The Institute's principal and interest payments related to financing lease agreements for fiscal year 2022 were $40,006,663 and $18,065,020, respectively. Interest rates range from 0.80% to 6.70%.

The Institute has $440,054,231 in outstanding notes and loans payable due to component units for financing lease agreements. The Institute has $22,334,747 in outstanding notes and loans payable to a non-related party.

The following schedule is a summary of the carrying values of assets held under financing lease agreements at June 30, 2022:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Lease Arrangements at June 30, 2022	Outstanding Balances per Lease Schedules at June 30, 2022
	(+)	(-)	(=)	
Financed Land and Land Improvements	$ 14,413,206	$ —	$ 14,413,206	$ 7,889,168
Financed Infrastructure	39,705,000	20,726,010	18,978,990	30,857,445
Finance Buildings and Building Improvements	624,018,587	145,596,812	478,421,775	418,200,118
Financed Facilities and Other Improvements	5,704,547	415,637	5,288,910	5,442,248
Total Assets Held Under Finance Lease Arrangements	$ 683,841,340	$ 166,738,459	$ 517,102,881	$ 462,388,979

The following schedule lists the pertinent information for each of the Institute's financing lease agreements:

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Campus Recreation Center/Parking	GTF	$ 44,980,000	30 yrs	02/01	04/31	$ 22,000,000	(1)
Technology Square Complex	GTF	142,298,200	29 yrs	08/03	04/32	64,844,801	(1)
Married Family Housing	GTFI	60,485,000	25 yrs	10/05	04/30	26,740,000	(1)
Molecular Sciences & Engineering	GTFI	75,205,000	35 yrs	09/06	06/41	54,729,987	(1)
Klaus Advanced Computing Parking	GTFI	9,835,000	20 yrs	10/05	04/25	2,240,000	(1)
Electrical Sub Station	GTFI	39,705,000	33 yrs	10/07	12/39	30,857,445	(1)
North Ave Apts (Including Parking)	GTFI	82,705,494	25 yrs	07/11	06/36	42,277,590	(1)
Dalney Building	GTFI	35,636,440	30 yrs	09/19	08/49	33,875,972	(1)
Campus Center	GTFI	102,463,013	31 yrs	12/20	06/52	102,071,253	(1)
GT-Savannah	TUFF	27,120,765	13 yrs	04/20	12/32	22,334,747	
Georgia Tech Cobb Research Campus	GATV	64,614,756	30 yrs	06/19	05/49	60,417,183	(1)
Total Leases		$685,048,668				$462,388,978	

(1) These leases are related party transactions.

Below is the annual debt service related to the outstanding notes and loans payable at June 30, 2022:

	Principal	Interest
Year Ending June 30:		
2023	$ 23,542,006	$ 19,881,868
2024	25,085,591	18,853,868
2025	25,626,728	17,911,999
2026	26,001,223	16,695,129
2027	27,226,066	15,280,589
2028 through 2032	139,194,165	59,016,203
2033 through 2037	58,842,082	37,753,517
2038 through 2042	60,975,265	23,447,298
2043 through 2047	46,693,004	13,266,882
2048 through 2052	36,308,445	3,376,352
Total Notes and Loans Payable	$ 469,494,575	$ 225,483,705

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, 2022, consisted of the following:

Deferred Outflows of Resources		
Deferred Outflows on Defined Benefit Pension Plans (See Note 14)	$	188,553,316
Deferred Outflows on OPEB Plan (See Note 17)		170,637,016
Total Deferred Outflows of Resources	$	359,190,332
Deferred Inflows of Resources		
Unavailable Revenues	$	627,107
Deferred Inflows on Defined Benefit Pension Plans (See Note 14)		331,870,327
Deferred Inflows on OPEB Plan (See Note 17)		115,556,025
Deferred Inflow of Resources - Leases		5,607,963
Total Deferred Inflows of Resources	$	453,661,422

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.

Leases
The following is a summary of assets with deferred inflows of resources held under lease at June 30, 2022:

Description	Lessee	Begin Month /Year	Lease Term	Amortized Revenue in FY2022	Remaining Deferred Inflow of Resources	
120 North Ave & Techwood Dr	New Cingular Wireless PCS, LLC	07/21	10 yrs	$ 64,382	$ 708,145	
129 5th Street	Kappa Alpha Theta Fraternity Housing Corp.	07/21	48 yrs	12,921	426,113	
575 14th Street - Suite 100	GCMI	07/21	9 yrs	186,929	1,897,253	(1)
575 14th St-Suites 1952	Boeing	07/21	6 yrs	18,488	54,080	
705 Brittain Drive	Alpha Phi Inter. Fraternity, Inc.	07/21	46 yrs	5,669	702,157	
Tech Square Retail - 22 5th St	There's Hospitality	07/21	3 yrs	100,528	211,775	
Tech Square Retail - 26 5th St	Ray's Cedars, LLC	07/21	5 yrs	57,868	408,356	
Tech Square Retail - 62 5th St	Prime Comm Retail, LLC Trading as AT&T	07/21	2 yrs	53,400	83,416	
Tech Square Retail - 86 5th St	Amazon.Com Services, LLC	07/21	6 yrs	130,151	723,658	
Tech Square Retail - 88 5th St	TinDrum Rocks, LLC DBA TinDrum Asia Café	07/21	5 yrs	107,851	393,010	
Total Leases				$ 738,187	$ 5,607,963	

(1) These leases are related party transactions.

Note 10 Net Position

The breakdown of business-type activity net position for the Institute fund at June 30, 2022 is as follows:

NET POSITION	
Net Investment in Capital Assets	$ 1,685,763,848
Restricted for	
Nonexpendable	
Permanent Endowment	87,512,577
Expendable	
Sponsored and Other Organized Activities	1,167,352
Federal Loans	3,543,614
Institutional Loans	10,552,506
Quasi-Endowments	22,818,252
Sub-Total	38,081,724
Unrestricted	
Auxiliary Enterprises Operations	46,597,893
Reserve for Encumbrances	231,038,687
Reserve for Inventory	2,044,900
Capital Liability Reserve Fund	3,121,580
Other Unrestricted (Deficit)	(869,298,698)
Sub-Total	(586,495,638)
Total Net Position	$ 1,224,862,511

Other unrestricted net position is reduced by $748,386,711 related to the recording of net OPEB liability, deferred inflow of resources, and deferred outflow of resources related to OPEB plan. Other unrestricted net position was also reduced by $370,708,530 related to the recording of net pension liability, deferred inflow of resources, and deferred outflow of resources related to benefit pension plans. These balances are mostly funded through state appropriations and student tuition and fees and are subject to state surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the Institute is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in net position for the year ended June 30, 2022 are as follows:

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Net Investments in Capital Assets	$ 1,668,207,011	$ 243,454,258	$ 225,897,421	$ 1,685,763,848
Restricted Net Position	117,187,601	1,245,671,841	1,237,265,141	125,594,301
Unrestricted Net Position	(721,969,578)	1,094,090,114	958,616,174	(586,495,638)
Total Net Position	$ 1,063,425,034	$ 2,583,216,213	$ 2,421,778,736	$ 1,224,862,511

Note 11 Endowments

Donor Restricted Endowments

Investments of the Institute's endowment funds are pooled, unless required to be separately invested by the donor. For Institute 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 loss on endowment investments available for authorization of expenditure was $10,321,692 and is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the Institute's endowment funds is predicated on the total return concept. Annual payouts from the Institute's endowment funds are based on a spending policy which limits spending to 3.5% of endowment's average principal market value over a twelve quarter period calculation. 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 Institute uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

For the current year, the Institute incurred unrealized investment losses of $609,645 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, 2022. In addition to these encumbrances, the Institute had other significant unearned outstanding construction or renovation contracts in the amount of $4,111,764 executed as of June 30, 2022. This amount is not reflected in the accompanying basic financial statements.

Note 13 Leases

Lease Obligations

The Institute leases facilities. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. 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 Institute. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The Institute's principal and interest payments related to leases for fiscal year 2022 were $32,575,605 and $3,579,978 respectively. Interest rate ranges from .50% to 6.63%

The Institute has $126,479,837 in outstanding lease obligations due to component units. The Institute has $10,623,224 in outstanding lease obligations due to Affiliated Organizations.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2022:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Lease at June 30, 2022	Outstanding Balance per Lease Schedules at June 30, 2022
Leased Building/Building Improvements	$ 353,685,111	$ 32,177,397	$ 321,507,714	$ 321,564,584
Leased Facilities & Other Improvements	7,325,454	697,662	6,627,792	6,870,376
Total Assets Held Under Lease	$ 361,010,565	$ 32,875,059	$ 328,135,506	$ 328,434,960

The following schedule lists pertinent information for each of the Institute's leases:

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Technology Square Rsch Bldg	TUFF	$ 66,639,430	10 yrs	07/21	12/31	$ 63,289,227	
Library Service Center	EmTech	10,805,396	24 yrs	07/21	10/45	10,623,224	(1)
Atlanta Technology Center	GTARC	6,707,799	7 yrs	07/21	01/28	5,958,280	(1)
CIDI - 512 Means Street	GTRES	3,210,643	6 yrs	07/21	04/27	2,700,547	(1)
CODA - DARPA	GTRC	6,931,482	8 yrs	07/21	02/29	6,258,831	(1)
CODA - Data Center	Data Center Atlanta, LLC	34,121,851	13 yrs	07/21	05/34	31,587,641	
CODA - GTRI	GTARC	9,135,782	13 yrs	07/21	05/34	8,458,426	(1)
CODA - Office	PH TECH, LLC	102,154,390	13 yrs	07/21	05/34	94,419,290	
CRB	GTRC	13,174,173	8 yrs	07/21	06/29	11,480,940	(1)
EI2 - Albany	City of Albany	4,324	3 yrs	07/21	06/24	2,876	
EI2 - Cartersville	Cartersville-Bartow ChCom	122,482	9 yrs	07/21	06/30	108,433	
EI2 - Dublin	Earlwood Investments	93,464	4 yrs	07/21	06/25	69,923	
EI2 - LaGrange	Preservation Properties	53,209	6 yrs	07/21	06/27	44,230	
EI2 - Macon	Riverside B & G, LLC	71,813	4 yrs	07/21	06/25	55,988	
GATV - 75 5th St, 5th Floor	GATV, Inc.	2,049,360	2 yrs	07/21	06/23	1,022,120	(1)
GATV - 75 5th St, Floors 1-4	GATV, Inc.	2,106,152	2 yrs	07/21	06/23	1,050,444	(1)
GATV - 75 5th St, OIR	GATV, Inc.	157,413	2 yrs	07/21	06/23	78,510	(1)
GATV - 575 14th St	VLP1, LLC	11,404,568	9 yrs	07/21	06/30	9,931,148	(1)
GATV - 387 Tech Circle	GTRES	12,029,253	12 yrs	07/21	01/33	11,261,960	(1)
GATV - 1594 Marietta Blvd	GTRES	1,412,217	7 yrs	07/21	01/28	1,209,218	(1)
GPB - 3rd Floor	Ga Public Telecom Comm	1,039,170	3 yrs	07/21	06/24	697,807	
GPB - 4th Floor	Ga Public Telecom Comm	1,572,516	3 yrs	07/21	06/24	1,056,484	
GTRI - Centergy - Floors 6-7	GTRC	10,623,864	5 yrs	07/21	12/26	9,145,337	(1)
GTRI - Smyrna, GA	GTRC	30,870,784	20 yrs	07/21	09/41	28,811,888	(1)
GTRI - Aberdeen, MD	GTRC	337,706	4 yrs	07/21	05/25	253,550	(1)
GTRI - Arlington, VA	GTARC	6,461,027	11 yrs	07/21	05/32	5,969,854	(1)
GTRI - Dayton, OH	GTARC	3,041,733	9 yrs	07/21	06/30	2,718,483	(1)
GTRI - Huntsville, AL	GTARC	3,748,765	4 yrs	07/21	04/25	2,808,700	(1)
GTRI - Lincoln, MA	GTARC	3,925,358	10 yrs	07/21	04/31	3,552,158	(1)
GTRI - Orlando, FL	GTARC	617,984	4 yrs	07/21	12/25	486,489	(1)
GTRI - Panama City, FL	GTARC	99,194	2 yrs	07/21	06/23	49,962	(1)
GTRI - Pax River, MD	GTARC	429,609	2 yrs	07/21	06/23	216,597	(1)
GTRI - Quantico, VA	GTARC	1,365,148	6 yrs	07/21	03/27	1,174,892	(1)
GTRI - San Diego, CA	GTARC	8,286,021	7 yrs	07/21	03/28	7,206,994	(1)
GTRI - Shalimar, FL	GTARC	277,652	3 yrs	07/21	04/24	179,208	(1)
GTRI - Tempe, AZ	GTARC	996,477	7 yrs	07/21	06/28	865,026	(1)
GTRI - Tucson, AZ	GTARC	655,551	7 yrs	07/21	06/28	551,762	(1)
KBS III	GTRC	4,276,805	3 yrs	07/21	12/24	3,078,513	(1)
Total Leases		$361,010,565				$328,434,960	

(1) These leases are related party transactions.

Certain 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.

Below are the future commitments related to the outstanding lease obligations year at June 30, 2022:

	Principal	Interest
Year Ending June 30:		
2023	$ 34,248,899	$ 53,217,219
2024	33,073,131	3,615,608
2025	32,159,246	3,341,630
2026	31,454,319	3,042,342
2027	30,596,266	2,714,100
2028 through 2032	138,171,093	7,548,214
2033 through 2037	22,975,396	2,336,624
2038 through 2042	3,062,170	1,462,390
2043 through 2047	2,694,440	321,934
Total Minimum Lease Payments	$ 328,434,960	$ 77,600,061

Note 14 Retirement Plans

The Institute participates in various retirement plans administrated 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 Institute also provides the Regents Retirement Plan.

The significant retirement plans that the Institute 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 Institute as defined in the 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 http://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 2022. The Institute's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of the Institute's annual payroll. The Institute's contributions to TRS totaled $72,740,428 for the year ended June 30, 2022.

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 http://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, 2022 was 24.63% of annual covered payroll for old and new plan members and 21.57% for GSEPS members. The Institute's contributions to ERS totaled $348,078 for the year ended June 30, 2022. 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, 2022, the Institute 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, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The Institute's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2021. At June 30, 2021, the Institute's TRS proportion was 2.55552%, which was an increase of 0.037118% from its proportion measured as of June 30, 2020. At June 30, 2021, the Institute's ERS proportion was 0.058695%, which was an increase of 0.012691% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Institute recognized pension expense of $18,974,993 for TRS and $437,187 for ERS. At June 30, 2022, the Institute 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	$ 53,935,246	$ —	$ 32,488	$ —
Changes of assumptions	43,745,187	—	395,333	—
Net difference between projected and actual earnings on pension plan investments	—	330,601,515	—	1,268,812
Changes in proportion and differences between contributions and proportionate share of contributions	17,000,484	—	356,072	—
Contributions subsequent to the measurement date	72,740,428	—	348,078	—
Total	$187,421,345	$330,601,515	$ 1,131,971	$ 1,268,812

The Institute'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, 2023. 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
2023	$ (36,157,309)	$ 252,513
2024	$ (37,853,028)	$ (90,174)
2025	$ (61,508,375)	$ (308,348)
2026	$ (80,401,886)	$ (338,910)
2027	$ —	$ —

Actuarial assumptions

The total pension liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improved in mortality

rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.
The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return and the assumed annual rate of inflation.

Employees' Retirement System

Inflation	2.50%
Salary increases	3.00 – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale used for both males and females while in active service. Post–retirement mortality rates were based on the Pub–2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees – General Healthy Annuitant mortality table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees – General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries – General Contingent Survivors Table (set forward to two years for both males and females and adjusted 106% and 105% respectively).

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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	TRS Long-term expected real rate of return*	ERS target allocation	ERS Long-term expected real rate of return*
Fixed income	30.00 %	(0.80)%	30.00 %	(1.50)%
Domestic large equities	46.30 %	9.30 %	46.40 %	9.20 %
Domestic small equities	1.20 %	13.30 %	1.10 %	13.40 %
International developed market equities	11.50 %	9.30 %	11.70 %	9.20 %
International emerging market equities	6.00 %	11.30 %	5.80 %	10.40 %
Alternatives	5.00 %	10.60 %	5.00 %	10.60 %
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 7.25% and 7.00%, 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 plans' fiduciary net position were 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 Institute's proportionate share of the net pension liability calculated using the discount rate, as well as what the Institute'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 6.25%	Current discount rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	$ 608,834,496	$ 226,018,699	$ (87,672,429)

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$ 2,515,660	$ 1,372,820	$ 406,294

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 publicly available at http://trsga.com/publications and https://www.ers.ga.gov/financials, respectively.

B. 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 2022, 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 Institute and the covered employees made the required contributions of $42,710,393 (9.24%) and $27,744,951 (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 health care plan options and one fully insured plan option. For the USG's Plan Year 2022, 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 Institute'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 health care plan options. In addition to the self-insured health care plan options offered to the employees and eligible retirees of the USG, a fully insured HMO health care 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 health care 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 health care-related expenses.

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 Institute 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 Institute expects such amounts, if any, to be immaterial to its overall financial position.

Litigation, claims and assessments filed against the Institute, 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy
The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, health care plan administered by the University System Office, an organizational unit of the USG. The Plan was authorized pursuant to O.C.G.A. § 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 O.C.G.A. § 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 health care plan options and one fully insured plan option. For the USG's Plan Year 2022, 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 health care 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 health care related expenses.

The Institute's membership in the Plan consisted of the following at June 30, 2022:

Active Employees	8,322
Retirees or Beneficiaries Receiving Benefits	2,012
Retirees Receiving Life Insurance Only	425
Total	10,759

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.

The Institute pays 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 2022 plan year, the employer rate was approximately 88% of the total health insurance cost for eligible retirees and the retiree rate was approximately 12%. 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 2022, the Institute contributed $24,324,563 to the plan for current premiums or claims.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At June 30, 2022, the Institute reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2021. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The Institute's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2021. At June 30, 2021, the Institute's proportion was 15.963736%, which was an increase of 0.425793% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Institute recognized OPEB expense of $43,192,946. At June 30, 2022, the Institute reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 43,257,635	$ 2,748,869
Changes of assumptions	66,269,213	110,814,696
Net difference between projected and actual earnings on OPEB plan investments	—	1,992,460
Changes in proportion and differences between contributions and proportionate share of contributions	36,785,608	—
Contributions subsequent to the measurement date	24,324,563	—
Total	$ 170,637,019	$ 115,556,025

The Institute's contributions subsequent to the measurement date of $24,324,563 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, 2023. 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:		
2023	$	(1,246,744)
2024	$	3,366,824
2025	$	3,537,187
2026	$	3,973,271
2027	$	12,525,837
Thereafter	$	8,600,056

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of May 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

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	Discount Rate as of 6/30/2021 2.18% GO 20-Municipal Bond Index Rate Discount Rate as of 6/30/2020 2.21% from Bond Buyers GO 20-Municipal Bond Index Long-term Rate of Return 4.37% General Inflation 2.10% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2020
Initial Health Care Cost Trend	
Pre-Medicare Eligible	6.4%
Medicare Eligible	4%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4%
Year Ultimate Trend is Reached	Fiscal Year 2031 for Pre-Medicare Eligible, Fiscal Year 2021 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 with the exception of the disability and salary increase assumptions. These 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, 2018.

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Mortality improvement scale was updated from MP-2019 to MP-2020.
- The discount rate was updated from 2.21% as of June 30, 2020 to 2.18% as of June 30, 2021.
- The disability rates were changed to be consistent with the Teacher’s Retirement System of Georgia Pension June 30, 2019 valuation report.
- The salary scale was changed from 4.00% to 3.75% to be consistent with the Teacher’s Retirement System of Georgia Pension June 30, 2019 valuation report.
- The HRA annual increase assumption was updated from 4.50% to 4.00% to reflect general long term HRA employer marketplace trends that show HRA amounts increasing slightly lower than long term medical trends but higher than inflation.
- The Expected Return on Assets was changed from 3.75% to 4.37%.

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, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	0.69%	70%
Equity Allocation	4.21%	30%

Discount rate

The Plan's projected fiduciary net position at the end of 2025 is $0, based on the valuation completed for the fiscal year ending June 30, 2021. 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 2025. Therefore, the long-term expected rate of return on Plan investments of 4.37% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021. 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 2.18% from the Bond Buyers GO 20-Bond Municipal Bond Index. The rate is comprised primarily of the yield or index rate for a 20 year, tax exempt general obligation municipal bond with an average rating of AA or higher (2.16% from the Bond Buyers GO 20-Bond Municipal Bond Index).

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

The following presents the Institute's proportionate share of the net OPEB liability, as well as what the Institute's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.18%) or 1 percentage point higher (3.18%) than the current discount rate (2.18%):

	1% Decrease 1.18%	Current Rate 2.18%	1% Increase 3.18%
Proportionate Share of the Net OPEB Liability	$ 972,538,017	$ 803,467,702	$ 673,089,551

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

The following presents the Institute's proportionate share of the net OPEB liability, as well as what the Institute's proportionate share of the net OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current health care cost trend rates:

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 677,961,332	$ 803,467,702	$ 968,678,258
Pre-Medicare Eligible	5.4% decreasing to 3.5%	6.4% decreasing to 4.5%	7.4% decreasing to 5.5%
Medicare Eligible	3.0%	4.0%	5.0%

OPEB plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the USG Annual Consolidated Financial Report which is publicly available at http://www.usg.edu/fiscal_affairs/financial_reporting/.

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal year 2022 are shown below:

Functional Classification	Natural Classification: Faculty Salaries	Staff Salaries	Employee Benefits	Other Personal Services	Travel
Instruction	$ 153,912,066	$ 84,696,296	$ 56,847,199	$ 830,517	$ 1,956,400
Research	392,448,102	159,146,987	122,630,319	986,330	11,190,962
Public Service	12,330,113	25,705,640	10,241,344	2,805,663	541,165
Academic Support	9,449,300	31,240,246	10,836,218	517,408	272,966
Student Services	841,959	15,869,630	4,097,720	44,214	156,467
Institutional Support	6,083,908	85,270,320	10,134,009	399,328	442,333
Plant Operations and Maintenance	196,235	36,117,932	10,665,467	36,087	53,510
Scholarships and Fellowships	—	—	—	—	4,236
Auxiliary Enterprises	—	31,880,261	9,421,785	7,922	57,604
Total Operating Expenses	$ 575,261,683	$ 469,927,312	$ 234,874,061	$ 5,627,469	$ 14,675,643

Functional Classification	Natural Classification: Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/ Amortization	Total Operating Expenses
Instruction	$ 1,609,343	$ 722,252	$ 43,149,148	$ 6,575,752	$ 350,298,973
Research	1,341,984	2,749,516	351,406,797	54,651,649	1,096,552,646
Public Service	27,557	290,175	8,561,311	1,751,922	62,254,890
Academic Support	15,924	288,280	24,899,996	9,946,823	87,467,161
Student Services	28,450	91,856	14,534,613	2,796,532	38,461,441
Institutional Support	26,558	3,464,416	34,602,104	12,359,627	152,782,603
Plant Operations and Maintenance	1,595	23,203,856	72,719,622	43,666,208	186,660,512
Scholarships and Fellowships	51,167,600	—	5,965	587	51,178,388
Auxiliary Enterprises	—	10,202,890	56,682,252	13,613,948	121,866,662
Total Operating Expenses	$ 54,219,011	$ 41,013,241	$ 606,561,808	$ 145,363,048	$2,147,523,276

Note 19 Subsequent Events

In July 2022, the Board of Regents of the University System of Georgia (BOR) signed agreements for two campus projects that increase pedestrian and cyclist mobility on campus. The Ferst Drive Corridor Realignment project will eliminate the traffic signal and enable connectivity to the planned bicycle infrastructure southwest of campus. A cycle track will be installed along Ferst Drive, providing improved safety and separation between cyclists and buses. Construction will begin in fiscal year 2023 and is expected to conclude in fiscal year 2025. The amount approved for the project is $13.0 million. The East Campus Streetscapes project will include a renovation of sidewalks and roadways to improve access, safety, and connectivity for pedestrians and cyclists alike to the east side of campus and Tech Square. Construction will begin in fiscal year 2023 and is expected to conclude in fiscal year 2024. The amount approved for the project is $16.4 million. The capital assets for both projects will be recorded on the Institute's books once construction is complete.

Note 20 Component Units

Related organizations promote, support, and assist Georgia Tech in its role as a leading education and research institution in accordance with stated Institute needs and goals. Together, they add significantly to Institute assets and revenues for programs and services, and ultimately enhance the Institute's performance of its mission. Governmental Accounting Standards Board (GASB) Codification Sections 2100 and 2600 require discrete reporting of legally separate, tax-exempt component units of the State of Georgia. Georgia Tech has five related organizations that are considered component units of the State of Georgia and, thus, are required to be reported in the Institute's financial statements. Although the Institute is not fiscally accountable for these entities, it has been determined that the nature and significance of the relationship between Georgia Tech and these organizations is such that exclusion from the Institute's financial statements would render them misleading. An annual audit of each component unit's financial statements is conducted by independent accounting firms. The five organizations included in this presentation are described on the following page:

Georgia Tech Foundation, Inc.
The Georgia Tech Foundation (Foundation) 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 Institute, and to aid the Institute in its development as a leading educational institution.

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.

For the year ended June 30, 2022, the Foundation distributed $84.6 million to Georgia Tech in support of capital outlay projects, scholarships and other supporting activities. The Institute is obligated under various financing lease agreements with the Foundation, a related party. This information is disclosed in Note 8, Long-Term Liabilities.

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. The activities of GTFI are limited to constructing and financing buildings and facilities for use by Georgia Tech. Funding for construction is obtained by the Organization from contributions or from financing with debt service funded by support from various sources.

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.

For the year ended June 30, 2022, GTFI distributed $1.6 million to the Institute for supporting activities. Georgia Tech is obligated under various financing lease agreements with GTFI, a related party. This information is disclosed in Note 8, Long-Term Liabilities.

Georgia Tech Research Corporation
The Georgia Tech Research Corporation (Research Corporation) is a legally separate, not-for-profit corporation under the laws of the state of Georgia. The Research Corporation is organized and operated primarily as the contracting entity for all sponsored activities for colleges and other units at Georgia Tech for the purpose of soliciting grants and contracts, accepting grants, or entering into contracts for research or services to be performed by or in conjunction with the Institute or to be performed using Georgia Tech's facilities, and for related objectives. The Research Corporation reports under GASB standards.

For year ended June 30, 2022, the Research Corporation distributed $1.08 billion to the Institute for research contracts sub-awarded to Georgia Tech. The Institute is obligated under various lease agreements with the Research Corporation, a related party. This information is disclosed in Note 13, Leases.

Georgia Tech Athletic Association
The Georgia Tech Athletic Association (Athletic Association) is a legally separate not-for-profit corporation under the laws of the state of Georgia. The primary purpose of the Athletic Association is to promote the educational programs of Georgia Tech through student body participation in healthful exercises, recreations, athletic games and contests. The Athletic Association'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 Athletic Association reports under GASB standards.

For the year ended June 30, 2022, the Athletic Association distributed $47.9 million to the Institute for athletic scholarships and other supporting activities.

Georgia Advanced Technology Ventures, Inc.

The Georgia Advanced Technology Ventures (GATV) is a legally separate, not-for-profit corporation under the laws of the state of Georgia. GATV is a supporting organization of the Institute focused on technology, commercialization, economic development and relevant real estate development. GATV's primary business purpose is to facilitate innovation and business collaboration with private enterprise, including but not limited to business, industry, entrepreneurs and economic developers, and utilizing emerging technologies that are aligned with the strengths in research and education of Georgia Tech. 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.

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.

For the year ended June 30, 2022, GATV distributed $0.9 milion to the Institute for supporting activities. Georgia Tech is obligated under various lease agreements with GATV, a related party. This information is disclosed in Note 8, Long-Term Liabilities and Note 13, Leases.

Elimination/Consolidation Entries

The FASB reported amounts for Net Position, Investment in Financing Lease Arrangements, and Rents and Royalties were collectively adjusted for the Foundation by $11,732,399 for external financial reporting purposes. Both Georgia Tech and the Foundation use the effective interest rate method to amortize leases. However, Georgia Tech uses the Sources and Uses of Funds and the average coupon rate which is a higher interest rate than the interest rate in the actual bond documents used by the Foundation. Thus, an adjustment was necessary for financial statement presentation.

The Athletic Association transferred assets to the Foundation to be managed on its behalf. Assets managed by the Foundation on behalf of the Athletic Association totaled $160,121,000 at June 30, 2022. The Foundation manages these assets using pooled investment funds. Interest, dividend income, and gains and losses earned on pooled funds are allocated equitably based on the fair value of the assets of each entity that participates in the pooled investment funds. The Athletic Association is entitled to all earnings on these assets; however, distributions are made by the Foundation to the Athletic Association only when requested.

The Research Corporation had net adjustments totaling $715,797 between current and noncurrent due to and due from component unit categories for financial statement presentation.

Combined investments for Component Units are comprised of the following amounts at June 30, 2022:

	Fair Value	Level 1	Level 3	NAV
Investment type				
Debt Securities				
Bond Securities	$ 19,091,000	$ 19,035,000	$ —	$ 56,000
Money Market Mutual Funds	306,426,306	306,426,306	—	—
Other Investments				
Equity Securities - Domestic	242,192,000	242,039,000	—	153,000
Equity Securities - International	415,416,000	364,109,000	—	51,307,000
Real Estate Held for Investment Purposes	85,150,000	—	85,150,000	—
Real Estate Investment Trusts	46,728,000	—	—	46,728,000
Investments Held by Another Component Unit	(757,514)		(757,514)	
Derivatives	(23,721,000)	(23,721,000)		
Natural Resources	84,027,000		1,186,000	82,841,000
Hedge Funds	764,383,000			764,383,000
Private Equities	708,233,000			708,233,000
	$2,647,167,792	$ 907,888,306	$ 85,578,486	$1,653,701,000
Reported as cash and cash equivalents on the Statement of Net Position				
Investment Pools				
Board of Regents				
Short-Term Fund	16,332,813			
Total Investments	$2,663,500,605			

Combined endowments for Component Units are comprised of the following amounts at June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Balance	$ 147,358,000	$1,869,143,000	$2,016,501,000
Contributions	1,440,000	47,292,000	48,732,000
Net realized and unrealized gains	(2,593,000)	(36,223,000)	(38,816,000)
Appropriation of endowment assets for expenditure	(4,696,000)	(64,987,000)	(69,683,000)
Transfers to comply with donor intent	—	—	—
Other	(5,463,000)	(1,985,000)	(7,448,000)
Ending Balance	$ 136,046,000	$1,813,240,000	$1,949,286,000

Combined amounts due to Component Units from Georgia Tech and other entities related to investment in financing lease arrangements as of June 30, 2022 are as follows:

		Principal	Interest	Total
Year Ending June 30:	Year:			
2023	1	$ 19,129,195	$ 20,218,764	$ 39,347,959
2024	2	21,417,965	19,994,907	41,412,872
2025	3	22,970,699	19,314,948	42,285,647
2026	4	22,596,227	18,577,339	41,173,566
2027	5	23,743,231	17,888,688	41,631,919
2028 through 2032	6-10	122,596,005	78,823,836	201,419,841
2033 through 2037	11-15	53,722,784	59,556,773	113,279,557
2038 through 2042	16-20	56,575,639	48,184,017	104,759,656
2043 through 2047	21-25	41,929,899	39,068,134	80,998,033
2048 through 2052	26-30	31,167,076	31,420,662	62,587,738
2053 through 2057	31-35	(5,525,391)	30,460,485	24,935,094
Thereafter	36-99	69,975,097	516,881,504	586,856,601
Total Minimum Lease Payments to be Received		480,298,426	900,390,057	1,380,688,483
Unearned Income				(900,390,054)
Net Investment in Financing Lease Arrangements Receivable				$ 480,298,429

Combined amounts due to component units related to lease activity as of June 30, 2022 is as follows:

		Principal	Interest	Total
Year Ending June 30:	Year:			
2023	1	$ 13,200,904	$ 1,056,121	$ 14,257,025
2024	2	13,633,389	940,823	14,574,212
2025	3	13,149,093	818,012	13,967,105
2026	4	11,710,893	708,163	12,419,056
2027	5	10,371,960	605,205	10,977,165
2028 through 2032	6-10	27,166,941	1,865,369	29,032,310
2033 through 2037	11-15	10,208,868	729,338	10,938,206
2038 through 2042	16-20	3,715,681	146,311	3,861,992
Total Minimum Lease Payments to be Received		103,157,729	6,869,342	110,027,071

Combined capital assets for Component Units are comprised of the following amounts at June 30, 2022:

Capital Assets, not being Depreciated:	
Land	$ 95,949,540
Capitalized Collections	4,064,735
Construction Work-in-Progress	4,481,104
Total Capital Assets not being Depreciated	104,495,379
Capital Assets, Being Depreciated:	
Infrastructure	5,311,342
Building and Building Improvements	411,098,497
Facilities and Other Improvements	15,701,113
Equipment	25,658,485
Financing Lease Arrangements	68,563,341
Software	1,262,977
Total Capital Assets being Depreciated	527,595,755
Less Total Accumulated Depreciation	197,863,074
Total Capital Assets being Depreciated, Net	329,732,681
Capital Assets, Net	$ 434,228,060

Combined intangible right-to-use assets for Component Units are comprised of the following amounts at June 30, 2022:

Intangible Right-to-use Assets	
Building and Building Improvements	$ 141,367,453
Facilities and Other Improvements	5,038,404
Total Leased Assets Being Amortized	146,405,857
Less Accumulated Amortization	16,003,998
Intangible Right-to-use Assets, net	$ 130,401,859

Combined long-term liabilities for Component Units includes the following amounts at June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Claims and Judgments	$ 369,676	$ —	$ 244,676	$ 125,000	$ 125,000
Compensated Absences	542,000	77,000	—	619,000	619,000
Lease Obligation	49,670,781	147,646,966	60,384,423	136,933,324	16,723,950
Liabilities under Split Interest Agreement	24,616,000	—	2,642,000	21,974,000	2,233,000
Notes and Loans Payable	120,419,891	100,673,206	77,975,088	143,118,009	30,325,898
Note (Discount)	(294,000)	58,000	—	(236,000)	—
Revenue/Mortgage Bonds Payable	830,495,000	152,230,000	83,845,000	898,880,000	26,275,000
Bond - Premium	65,049,392	1,000	9,372,886	55,677,506	—
Bond - (Discount and Issuance Cost)	(21,215,060)	277,593	(1,844,174)	(19,093,293)	—
Total Long Term Liabilities	$1,069,653,680	$400,963,765	$232,619,899	$1,237,997,546	$ 76,301,848

Combined lease obligations for component units are comprised of the following amounts at June 30, 2022:

		Principal	Interest	Total
Year ending June 30:				
2023	1	16,723,950	1,451,437	$ 18,175,387
2024	2	17,144,863	1,309,167	$ 18,454,030
2025	3	16,745,124	1,164,239	$ 17,909,363
2026	4	15,249,193	741,417	$ 15,990,610
2027	5	13,880,177	909,224	$ 14,789,401
2028 through 2032	6-10	41,524,495	2,951,136	$ 44,475,631
2033 through 2037	11-15	11,949,841	776,562	$ 12,726,403
2035 through 2039	16-20	3,715,681	146,311	$ 3,861,992
Total minimum lease payments		136,933,324	9,449,493	146,382,817

Combined notes and loans payable for Component Units are comprised of the following amounts at June 30, 2022:

		Principal	Interest	Total
Year ending June 30:				
2023	1	$ 30,325,898	$ 7,110,682	$ 37,436,580
2024	2	37,901,706	4,752,372	42,654,078
2025	3	5,741,543	2,997,821	8,739,364
2026	4	5,329,943	2,790,851	8,120,794
2027	5	5,935,254	2,583,946	8,519,200
2028 through 2032	6-10	47,846,690	6,945,606	54,792,296
2033 through 2037	11-15	10,036,975	821,328	10,858,303
		143,118,009	28,002,606	171,120,615
Note (Discount)/Cost of Issuance		(236,000)	—	(236,000)
Total		$ 142,882,009	$ 28,002,606	$ 170,884,615

Combined bonds payable for Component Units are comprised of the following amounts at June 30, 2022:

		Principal	Interest	Total
Year ending June 30:				
2023	1	$ 26,275,000	$ 36,432,119	$ 62,707,119
2024	2	29,070,000	35,272,336	64,342,336
2025	3	31,695,000	33,948,045	65,643,045
2026	4	31,995,000	32,499,155	64,494,155
2027	5	33,500,000	30,983,972	64,483,972
2028 through 2032	6-10	174,760,000	129,803,890	304,563,890
2033 through 2037	11-15	112,875,000	96,395,187	209,270,187
2038 through 2042	16-20	136,995,000	70,702,654	207,697,654
2043 through 2047	21-25	113,520,000	46,124,883	159,644,883
2048 through 2052	26-30	208,195,000	17,769,805	225,964,805
		898,880,000	529,932,046	1,428,812,046
Bond Premium		55,677,506	—	55,677,506
Bond (Discount and Other Issuance Cost)		(19,093,293)	—	(19,093,293)
Total		$ 935,464,213	$ 529,932,046	$ 1,465,396,259

Required Supplementary Information

GEORGIA INSTITUTE OF TECHNOLOGY
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) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2022	$ 348,078	$ 348,078	$ —	$ 1,413,228	24.63 %
	June 30, 2021	$ 346,960	$ 346,960	$ —	$ 1,406,975	24.66 %
	June 30, 2020	$ 286,161	$ 286,161	$ —	$ 1,159,896	24.67 %
	June 30, 2019	$ 247,003	$ 247,003	$ —	$ 996,845	24.78 %
	June 30, 2018	$ 281,114	$ 281,114	$ —	$ 1,132,404	24.82 %
	June 30, 2017	$ 326,303	$ 326,303	$ —	$ 1,306,263	24.98 %
	June 30, 2016	$ 333,318	$ 333,318	$ —	$ 1,337,706	24.92 %
	June 30, 2015	$ 265,180	$ 265,180	$ —	$ 1,206,149	21.99 %
	June 30, 2014	$ 196,257	$ 196,257	$ —	$ 1,094,942	17.92 %
	June 30, 2013	$ 153,729	$ 153,729	$ —	$ 1,038,464	14.80 %
Teachers Retirement System	June 30, 2022	$ 72,740,428	$ 72,740,428	$ —	$ 367,232,903	19.81 %
	June 30, 2021	$ 63,409,435	$ 63,409,435	$ —	$ 332,668,173	19.06 %
	June 30, 2020	$ 68,762,856	$ 68,762,856	$ —	$ 324,637,257	21.18 %
	June 30, 2019	$ 63,347,815	$ 63,347,815	$ —	$ 302,967,368	20.91 %
	June 30, 2018	$ 48,433,865	$ 48,433,865	$ —	$ 288,778,252	16.77 %
	June 30, 2017	$ 38,573,130	$ 38,573,130	$ —	$ 270,480,254	14.26 %
	June 30, 2016	$ 35,868,907	$ 35,868,907	$ —	$ 251,089,879	14.29 %
	June 30, 2015	$ 31,122,618	$ 31,122,618	$ —	$ 236,515,744	13.16 %
	June 30, 2014	$ 27,139,593	$ 27,139,593	$ —	$ 221,162,197	12.27 %
	June 30, 2013	$ 24,374,980	$ 24,374,980	$ —	$ 213,368,556	11.42 %

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST EIGHT 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	June 30, 2022	0.058695 %	$ 1,372,820	$ 1,406,975	97.57 %	87.62 %
System	June 30, 2021	0.046004 %	$ 1,939,049	$ 1,159,896	167.17 %	76.21 %
	June 30, 2020	0.039546 %	$ 1,631,878	$ 996,845	163.70 %	76.74 %
	June 30, 2019	0.043585 %	$ 1,791,794	$ 1,132,404	158.23 %	76.68 %
	June 30, 2018	0.052022 %	$ 2,112,788	$ 1,306,263	161.74 %	76.33 %
	June 30, 2017	0.055955 %	$ 2,646,907	$ 1,337,706	197.87 %	72.34 %
	June 30, 2016	0.047215 %	$ 1,906,547	$ 1,206,149	158.07 %	76.20 %
	June 30, 2015	0.047000 %	$ 1,770,854	$ 1,094,942	161.73 %	77.99 %
Teachers Retirement	June 30, 2022	2.555520 %	$ 226,018,699	$ 332,668,173	67.94 %	92.03 %
System	June 30, 2021	2.518402 %	$ 610,055,535	$ 324,637,257	187.92 %	77.01 %
	June 30, 2020	2.481423 %	$ 533,573,043	$ 302,967,368	176.12 %	78.56 %
	June 30, 2019	2.420015 %	$ 449,206,621	$ 288,778,252	155.55 %	80.27 %
	June 30, 2018	2.351530 %	$ 437,039,093	$ 270,480,254	161.58 %	79.33 %
	June 30, 2017	2.288606 %	$ 472,164,936	$ 251,089,879	188.05 %	76.06 %
	June 30, 2016	2.239970 %	$ 341,013,190	$ 236,515,744	144.18 %	81.44 %
	June 30, 2015	2.166000 %	$ 273,684,569	$ 221,162,197	123.75 %	84.03 %

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

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2022

Changes of assumptions

Employees' Retirement System:
On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to the rates of mortality, retirement, withdrawal, and salary increases. This also included a change in the long-term assumed investment rate of return to 7.00%.

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).

On May 15, 2019, the Board adopted and recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SIX YEARS*

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2022	$ 24,324,563	$ 24,324,563	$ —	$ 896,850,555	2.71%
June 30, 2021	$ 18,738,348	$ 18,738,348	$ —	$ 799,876,400	2.34%
June 30, 2020	$ 15,971,762	$ 15,971,762	$ —	$ 784,908,579	2.03%
June 30, 2019	$ 24,616,725	$ 24,616,725	$ —	$ 701,902,432	3.51%
June 30, 2018	$ 23,699,671	$ 23,699,671	$ —	$ 677,223,508	3.50%
June 30, 2017	$ 14,811,541	$ 14,811,541	$ —	$ 638,812,645	2.32%

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

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST FIVE YEARS*

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2022	15.963736 %	$ 803,467,702	$ 799,876,400	100.45 %	3.74 %
June 30, 2021	15.537943 %	$ 828,750,259	$ 784,908,579	105.59 %	2.91 %
June 30, 2020	15.348712 %	$ 686,328,093	$ 701,902,432	97.78 %	3.13 %
June 30, 2019	14.960031 %	$ 659,849,732	$ 677,223,508	97.43 %	1.69 %
June 30, 2018	14.873429 %	$ 627,617,932	$ 638,812,645	98.25 %	0.19 %

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

GEORGIA INSTITUTE OF TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2022

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Mortality improvement scale was updated from MP-2019 to MP-2020.
- The discount rate was updated from 2.21% as of June 30, 2020 to 2.18% as of June 30, 2021.
- The disability rates were changed to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The salary scale was changed from 4.00% to 3.75% to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The HRA annual increase assumption was updated from 4.50% to 4.00% to reflect general long term HRA employer marketplace trends that show HRA amounts increasing slightly lower than long term medical trends but higher than inflation.
- The Expected Return on Assets was changed from 3.75% to 4.37%.

Supplementary Information

GEORGIA INSTITUTE OF TECHNOLOGY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2022

ASSETS		
Cash and Cash Equivalents	$	190,628,883.84
Accounts Receivable		
Federal Financial Assistance		23,745,927.75
Other		152,156,200.17
Prepaid Expenditures		9,505,648.35
Inventories		568,539.17
Total Assets	$	376,605,199.28
LIABILITIES AND FUND EQUITY		
Liabilities		
Accrued Payroll		5,731,889.51
Encumbrance Payable		198,823,574.17
Accounts Payable		66,527,518.13
Unearned Revenue		28,519,287.77
Total Liabilities		299,602,269.58
Fund Balances		
Reserved		
Department Sales and Services		26,775,968.36
Indirect Cost Recoveries		38,025,823.06
Technology Fees		20,857.70
Restricted/Sponsored Funds		141,941.50
Uncollectible Accounts Receivable		2,402,806.07
Inventories		549,131.01
Tuition Carry - Forward		8,899,844.42
Unreserved		
Surplus		186,557.58
Total Fund Balances		77,002,929.70
Total Liabilities and Fund Balances	$	376,605,199.28

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.

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

			Funds Available Compared to Budget		
	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over	Program Transfers or Adjustments
Enterprise Innovation Institute					
State Appropriation					
State General Funds	$ 11,444,647.00	$ 12,138,771.00	$ 12,138,771.00	$ —	$ —
Covid Related Funds					
Other Federal Stimulus Funds	—	1,233,506.00	648,103.00	—	—
Federal Funds Not Specifically Identified	—	9,950,000.00	9,560,742.15	—	—
Other Funds	15,000,000.00	10,841,610.00	5,413,471.96	3,235,924.20	—
Total Enterprise Innovation Institute	26,444,647.00	34,163,887.00	27,761,088.11	3,235,924.20	—
Georgia Tech Research Institute					
State Appropriation					
State General Funds	5,800,798.00	13,787,948.00	13,787,948.00	—	—
Federal Funds Not Specifically Identified	—	492,671,175.00	454,947,259.38	—	—
Other Funds	639,661,007.00	333,306,644.00	260,282,205.39	8,268,293.97	—
Total Georgia Tech Research Institute	645,461,805.00	839,765,767.00	729,017,412.77	8,268,293.97	—
Teaching					
State Appropriation					
State General Funds	358,370,990.00	388,877,486.00	388,877,486.00	—	—
Covid Related Funds					
Other Federal Stimulus Funds	—	31,694,336.00	28,142,238.61	—	—
Federal Funds Not Specifically Identified		225,080,664.00	223,964,429.32	—	—
Other Funds	1,083,743,000.00	1,043,761,500.00	862,192,534.11	75,189,736.89	3,769,980.32
Total Teaching	1,442,113,990.00	1,689,413,986.00	1,503,176,688.04	75,189,736.89	3,769,980.32
Total Operating Activity	$2,114,020,442.00	$2,563,343,640.00	$2,259,955,188.92	$ 86,693,955.06	$ 3,769,980.32

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.

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Funds Available Compared to Budget		Expenditures Compared to Budget		
	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	Excess (Deficiency) of Funds Available Over/(Under) Expenditures
Enterprise Innovation Institute					
State Appropriation					
State General Funds	$ 12,138,771.00	$ —	$ 12,138,771.00	$ —	$ —
Covid Related Funds					
Other Federal Stimulus Funds	648,103.00	(585,403.00)	648,103.00	585,403.00	—
Federal Funds Not Specifically Identified	9,560,742.15	(389,257.85)	9,560,742.15	389,257.85	—
Other Funds	8,649,396.16	(2,192,213.84)	5,178,949.50	5,662,660.50	3,470,446.66
Total Enterprise Innovation Institute	30,997,012.31	(3,166,874.69)	27,526,565.65	6,637,321.35	3,470,446.66
Georgia Tech Research Institute					
State Appropriation					
State General Funds	13,787,948.00	—	13,787,948.00	—	—
Federal Funds Not Specifically Identified	454,947,259.38	(37,723,915.62)	454,947,259.38	37,723,915.62	—
Other Funds	268,550,499.36	(64,756,144.64)	267,607,221.21	65,699,422.79	943,278.15
Total Georgia Tech Research Institute	737,285,706.74	(102,480,060.26)	736,342,428.59	103,423,338.41	943,278.15
Teaching					
State Appropriation					
State General Funds	388,877,486.00	—	388,877,486.00	—	—
Covid Related Funds					
Other Federal Stimulus Funds	28,142,238.61	(3,552,097.39)	28,142,238.61	3,552,097.39	—
Federal Funds Not Specifically Identified	223,964,429.32	(1,116,234.68)	223,964,429.32	1,116,234.68	—
Other Funds	941,152,251.32	(102,609,248.68)	874,962,418.16	168,799,081.84	66,189,833.16
Total Teaching	1,582,136,405.25	(107,277,580.75)	1,515,946,572.09	173,467,413.91	66,189,833.16
Total Operating Activity	$ 2,350,419,124.30	$ (212,924,515.70)	$ 2,279,815,566.33	$ 283,528,073.67	$ 70,603,557.97

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.

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (NON-GAAP BASIS)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2021 Surplus	Prior Year Adjustments	Other Adjustments
Enterprise Innovation Institute					
State Appropriation					
State General Funds	$ —	$ —	$ —	$ —	$ —
Covid Related Funds					
Other Federal Stimulus Funds	—	—	—	—	—
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	3,235,924.23	(3,235,924.23)	—	—	5,979.42
Total Enterprise Innovation Institute	3,235,924.23	(3,235,924.23)	—	—	5,979.42
Georgia Tech Research Institute					
State Appropriation					
State General Funds	4,187.37	—	(4,187.37)	2,144.70	—
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	8,268,293.97	(8,268,293.97)	—	—	—
Total Georgia Tech Research Institute	8,272,481.34	(8,268,293.97)	(4,187.37)	2,144.70	—
Teaching					
State Appropriation					
State General Funds	230,764.12	—	(230,764.12)	172,298.54	—
Covid Related Funds	—	—	—	—	—
Other Federal Stimulus Funds	—	—	—	—	—
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	75,655,804.20	(75,189,736.86)	(466,067.34)	12,114.30	3,254,897.69
Total Teaching	75,886,568.32	(75,189,736.86)	(696,831.46)	184,412.84	3,254,897.69
Total Operating Activity	87,394,973.89	(86,693,955.06)	(701,018.83)	186,557.54	3,260,877.11
Prior Year Reserves					
Not Available for Expenditure					
Inventories	552,347.92	—	—	—	(3,216.91)
Uncollectible Accounts Receivable	5,660,466.27	—	—	—	(3,257,660.20)
Budget Unit Totals	$ 93,607,788.08	$ (86,693,955.06)	$ (701,018.83)	$ 186,557.54	$ —

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.

GEORGIA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES TO FUND BALANCE (NON-GAAP BASIS)
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Early Return of Fiscal Year 2022 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance Reserved	Surplus/(Deficit)	Total
Enterprise Innovation Institute						
State Appropriation						
State General Funds	$ —	$ —	$ —	$ —	$ —	$ —
Covid Related Funds						
Other Federal Stimulus Funds	—	—	—	—	—	—
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	3,470,446.66	3,476,426.08	3,476,426.08	—	3,476,426.08
Total Enterprise Innovation Institute	—	3,470,446.66	3,476,426.08	3,476,426.08	—	3,476,426.08
Georgia Tech Research Institute						
State Appropriation						
State General Funds	—	—	2,144.70	—	2,144.70	2,144.70
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	943,278.15	943,278.15	943,278.15	—	943,278.15
Total Georgia Tech Research Institute	—	943,278.15	945,422.85	943,278.15	2,144.70	945,422.85
Teaching						
State Appropriation						
State General Funds	—	—	172,298.54	—	172,298.54	172,298.54
Covid Related Funds						
Other Federal Stimulus Funds	—	—	—	—	—	—
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	66,189,833.16	69,456,845.15	69,444,730.81	12,114.34	69,456,845.15
Total Teaching	—	66,189,833.16	69,629,143.69	69,444,730.81	184,412.88	69,629,143.69
Total Operating Activity	—	70,603,557.97	74,050,992.62	73,864,435.04	186,557.58	74,050,992.62
Prior Year Reserves						
Not Available for Expenditure						
Inventories	—	—	549,131.01	549,131.01	—	549,131.01
Uncollectible Accounts Receivable	—	—	2,402,806.07	2,402,806.07	—	2,402,806.07
Budget Unit Totals	$ —	$ 70,603,557.97	$ 77,002,929.70	$ 76,816,372.12	$ 186,557.58	$ 77,002,929.70

	Reserved	Surplus/(Deficit)	Total
Departmental Sales and Services	$ 26,775,968.36	$ —	$ 26,775,968.36
Indirect Cost Recovery	38,025,823.06	—	38,025,823.06
Technology Fees	20,857.70	—	20,857.70
Restricted/Sponsored Funds	141,941.50	—	141,941.50
Tuition Carry-Forward	8,899,844.42	—	8,899,844.42
Uncollectible Accounts Receivable	2,402,806.07	—	2,402,806.07
Inventories	549,131.01	—	549,131.01
Surplus	—	186,557.58	186,557.58
	$ 76,816,372.12	$ 186,557.58	$ 77,002,929.70

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.