



GeorgiaState
University.

ANNUAL FINANCIAL REPORT



FISCAL YEAR

2022

GEORGIA STATE UNIVERSITY
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For the Fiscal Year Ended June 30, 2022

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Introductory Section



OFFICE OF THE VICE PRESIDENT FOR FINANCE & ADMINISTRATION

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December 19, 2022

To: President M. Brian Blake
Georgia State University

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

Georgia State University 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 University's financial position, revenues, expenses and other changes in net position.

The University's financial records are included in the University System of Georgia's financial report, which is audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. The University's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the University's management. The audit of the University's financial assistance programs is performed by the DOAA in conjunction with the statewide Single Audit.

Sincerely,

Brad Freeman
Vice President for Finance and Administration
and Interim Chief Financial Officer

Financial Section





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. M. Brian Blake, President
Georgia State University

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 State University (University), 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 University'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 University 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 State University Research Foundation, Inc.

We are required to be independent of the University 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 University'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 University'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 University'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 University 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 University. 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 University adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The University restated beginning balances for the effect of GASB Statement No. 87. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, in 2022, the University restated the prior financial statements to correct an error. 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 University'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 University'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 University'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 University'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,

A handwritten signature in cursive script, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

December 19, 2022

GEORGIA STATE UNIVERSITY

Management's Discussion and Analysis

Introduction

Georgia State University (University) is one of the 26 institutions of higher education of the University System of Georgia. The University was founded in 1913 and is an enterprising public research institution in Atlanta, the leading cultural and economic center of the Southeast. With seven campuses throughout metro Atlanta, the University provides its faculty and more than 52,000 students with unsurpassed connections to the opportunities available in one of the 21st century's great global cities. A national leader in graduating students from diverse backgrounds, Georgia State provides a rich experience with award-winning housing, hundreds of student clubs and organizations, and one of the most diverse student bodies in the country. Students, faculty and alumni enjoy a unique campus personality and culture based on ambition, hard work, dedication and perseverance.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2022	52,350	44,289
FY 2021	53,743	45,767
FY 2020	53,619	46,015

Overview of the Financial Statements and Financial Analysis

The University 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 five financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position; and the Statement of Changes in Fiduciary Net Position. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2022 and fiscal year 2021.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2022 and includes all assets and liabilities, both current and noncurrent, deferred outflows of resources and deferred inflows of resources. The differences between current and non-current 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 University and how much the University owes vendors. The difference between the sum of assets plus deferred outflows of resources and the sum of liabilities plus deferred inflows of resources (net position) is one indicator of the University's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the University'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 University's equity in property, plant and equipment owned by the University. The next category is restricted, which is divided into two categories, non-expendable and expendable. The corpus of non-expendable, restricted resources is available only for investment purposes. Expendable, restricted resources are available for expenditure by the University but must be spent for purposes as 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 University for any lawful purpose.

The University's financial position at June 30, 2022 is very strong, with total assets of \$1.45 billion, deferred outflows of \$192.47 million, total liabilities of \$947.72 million, deferred inflows of \$321.17 million and net position of \$369.11 million.

Assets and Deferred Outflows

Total assets and deferred outflows of the University in fiscal year 2022 were approximately \$45.26 million more than those reported for fiscal year 2021. Most asset categories had marginal increases or decreases during the year.

Cash and investments increased \$39.56 million due to strategic budgetary efforts.

Accounts receivable decreased \$7.99 million primarily due to receivables related to federal financial assistance and due from component units decreasing \$17.46 million as a result of increased emphasis place on timely billing and collection efforts. There was an increase in lease receivables with the implementation of GASB 87, which was \$11.28 million at June 30, 2022. See the restatement note disclosure in Note 1 of the Notes to the Financial Statements for more information of the implementation of GASB 87.

Prepaid items increased \$4.05 million primarily due to funds sent to the Georgia State Financing and Investment Commission (GSFIC) for the design of a new research building.

Deferred outflows of resources decreased \$12.76 million primarily due to decreases in the University's proportionate share of the net liabilities associated with the TRS pension plan and in the University's proportionate share of liabilities associated with Other Post-Employment Benefits (OPEB).

Capital assets decreased by \$16.39 million. \$20.66 million of this decrease is attributable to the implementation of GASB 87. These assets were reclassified to Intangible Right-to-Use Assets through a restatement of the beginning balance. Capital asset purchases were \$57.67 million and depreciation expense was \$55.10 million for fiscal year 2022. See Capital Assets later within this section and Note 6 within the Notes to the Financial Statements for more information on capital assets.

Liabilities and Deferred Inflows

Total liabilities and deferred inflows for fiscal year 2022 were approximately \$71.02 million less than those reported for fiscal year 2021. The majority of the change is related to decreases in net pension liability (\$260.59 million), net OPEB liability (\$33.19 million), and lease purchase obligations (\$164.13 million). These decreases were offset by increases in deferred inflows of resources associated with pensions and OPEB (\$259.90 million) and notes and loans payable (\$92.63 million) related to the GASB 87 implementation. Other significant increases include advances (\$13.93 million), amounts due to component units (\$2.40 million), and amounts due to affiliated organizations (\$6.60 million).

Net pension liability decreased \$260.59 million, which is primarily related to TRS asset valuation growth and changes in assumptions used to estimate the liability, including a reduction in payroll growth assumptions.

Net OPEB liability decreased \$33.19 million. The University's proportionate share of the net OPEB liability decreased due to changes in assumptions used to estimate the liability, including lowering the assumption for annual increases in the HRA amount. Other changes in assumptions included an update to the mortality projection scale, lowering the salary scale assumption, and lowering the discount rate.

Lease purchase obligations decreased \$164.41 million due to accounting changes required by GASB 87 and early debt retirement. \$174.96 million of the June 30, 2021 lease balance was reclassified to Notes and Loans payable through a restatement of the beginning balance.

Deferred inflows of resources increased \$259.90 million primarily due to decreases in the University's proportionate share of the net liabilities of the pension plans (\$217.07 million) and in the University's proportionate share of decreases associated with Other Post-Employment Benefits (OPEB) liability (\$33.51 million), primarily attributable to changes in assumptions. Deferred inflows also increased \$11.28 million related to lease receivables with the implementation of GASB 87.

Notes and loans payable increased \$92.63 million mostly due to accounting changes required by GASB 87 (\$174.96 million increase) and the early retirement of lease obligations associated with Petit Science Center and the Newton Academic building (\$75.40 million decrease). The University paid \$83.37 million to extinguish \$75.40 million in notes and loans payable related to the Petit Science Center and the Newton Academic Building through defeasance.

Advances increased \$13.93 million mostly due to sponsored funds, tuition, and fees received in advance of eligibility requirements. Benefits payable decreased \$5.47 million due to the timing of payroll withholding to TRS and other third parties. Amounts due to the primary government of \$5.00 million are related to funds due to GSFIC for the design of a new research building.

The table below provides a summary of the University's net position for the fiscal year as compared to the prior fiscal year:

CONDENSED STATEMENT OF NET POSITION	June 30, 2022	June 30, 2021 (1)	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 468,352,507	\$ 442,194,731	\$ 26,157,776	5.92 %
Capital Assets, Net	923,992,122	940,384,791	(16,392,669)	(1.74)%
Intangible Right-to-Use Assets, Net	38,966,777	—	38,966,777	100.00 %
Other Assets	14,224,073	4,931,799	9,292,274	188.42 %
TOTAL ASSETS	1,445,535,479	1,387,511,321	58,024,158	4.18 %
DEFERRED OUTFLOWS	192,466,414	205,225,729	(12,759,315)	(6.22)%
LIABILITIES				
Current Liabilities	156,279,865	120,096,635	36,183,230	30.13 %
Non-Current Liabilities	791,437,845	1,158,540,930	(367,103,085)	(31.69)%
TOTAL LIABILITIES	947,717,710	1,278,637,565	(330,919,855)	(25.88)%
DEFERRED INFLOWS	321,172,205	61,272,241	259,899,964	424.17 %
NET POSITION				
Net Investment in Capital Assets	820,779,215	720,777,334	100,001,881	13.87 %
Restricted, Non-Expendable	123,507	143,588	(20,081)	(13.99)%
Restricted, Expendable	2,699,798	21,434,052	(18,734,254)	(87.40)%
Unrestricted (Deficit)	(454,490,542)	(489,527,730)	35,037,188	7.16 %
TOTAL NET POSITION	\$ 369,111,978	\$ 252,827,244	\$ 116,284,734	45.99 %

(1) The amounts reported for fiscal year 2021 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. 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 University. 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 University without the Legislature directly receiving commensurate goods and services for those revenues.

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

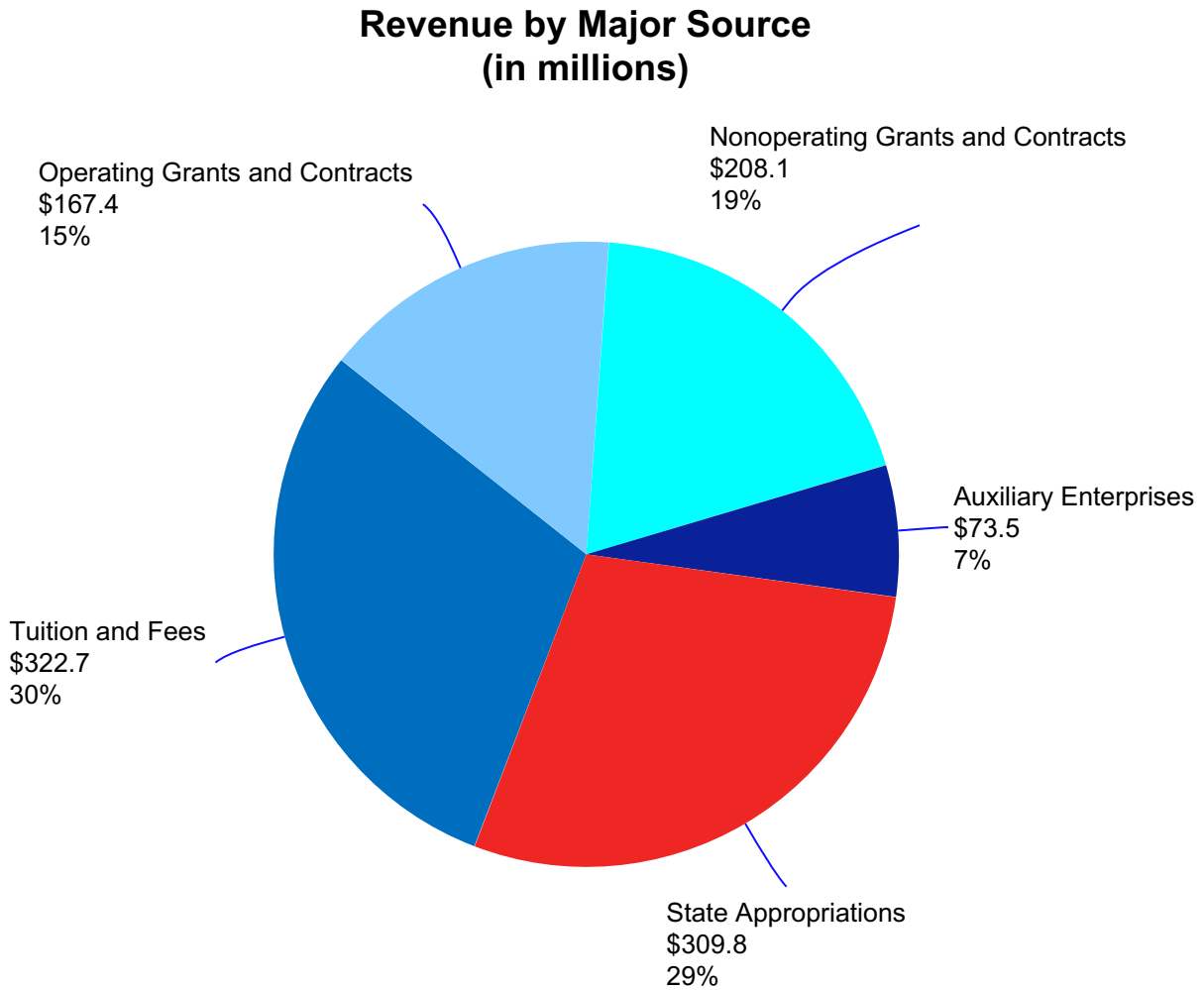
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2022	June 30, 2021 (1)	Increase/ (Decrease)	% Change
Operating Revenue	\$ 588,130,647	\$ 556,065,321	\$ 32,065,326	5.77 %
Operating Expense	996,034,348	985,631,796	10,402,552	1.06 %
Operating Income (Loss)	(407,903,701)	(429,566,475)	21,662,774	5.04 %
Non-Operating Revenue and Expense	505,955,184	421,025,636	84,929,548	20.17 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	98,051,483	(8,540,839)	106,592,322	1,248.03 %
Other Revenues, Expenses, Gains, or Losses	10,827,385	17,277,426	(6,450,041)	(37.33)%
Change in Net Position	108,878,868	8,736,587	100,142,281	(1,146.24)%
Net Position at beginning of year, restated	260,233,110	244,090,657	16,142,453	6.61 %
Net Position at End of Year	\$ 369,111,978	\$ 252,827,244	\$ 116,284,734	45.99 %

(1) The amounts reported for fiscal year 2021 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year as represented by a \$108.88 million Change in Net Position. The 20.17% increase in non-operating revenues and expense is primarily attributable to the increase in federal Higher Education Emergency Relief Fund (HEERF) awards and additional state appropriations provided in the amended fiscal year 2022 budget for salary increases.

Revenues

Revenue by major source is depicted by the following chart:



State appropriations consists of formula funded state general funds, special funding initiatives and other non-capital organized activities appropriated by the General Assembly less prior year surplus (\$375,614) remitted back to the State.

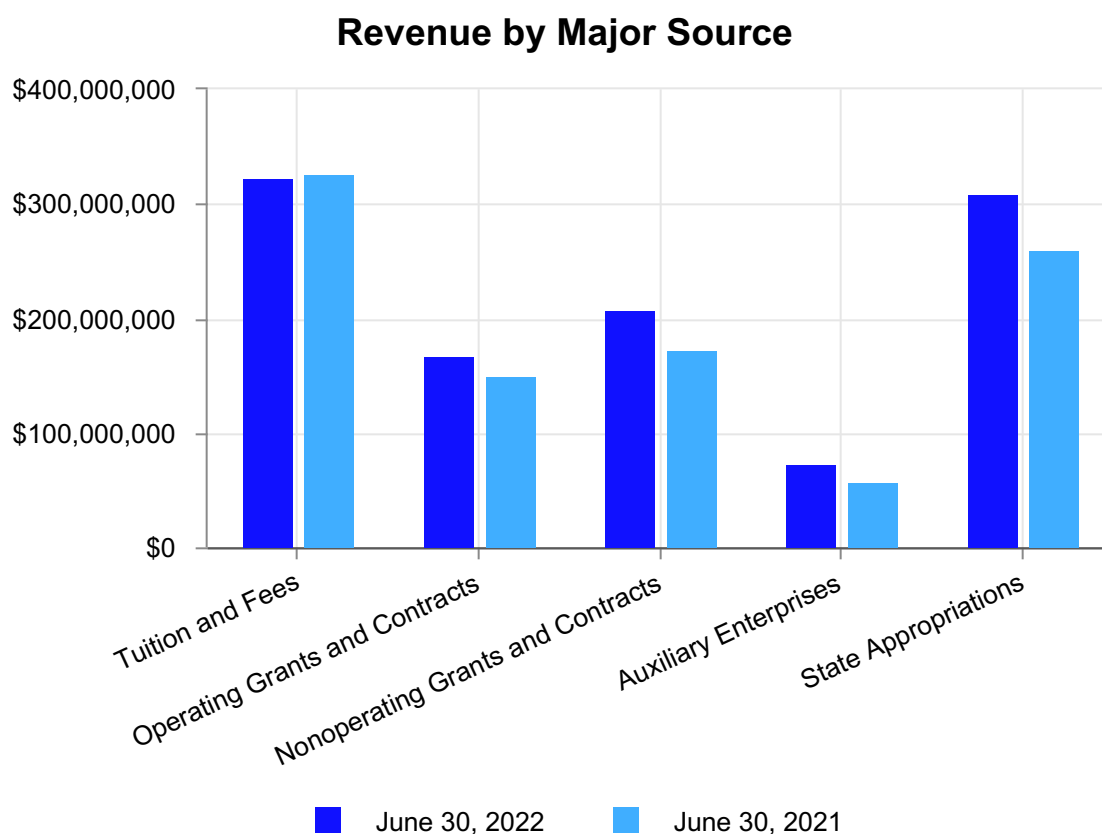
Tuition and fees are net of scholarship allowances of \$97.10 million.

Operating grants and contracts are sponsored projects consisting mostly of sponsored research activities.

Non-operating grants and contracts are non-exchange transactions consisting mostly of student financial aid and other institutional support including federal HEERF funds.

Auxiliary enterprises are activities that exist to provide services directly or indirectly to students, faculty or staff, and for which fees are charged that are related to, but not necessarily equal to, the cost of the services. Auxiliary enterprises should operate on a self-supporting basis, where the combination of fees and other revenues is sufficient to meet costs. These revenues include residence halls (\$16.20 million), bookstores (\$857.01 thousand), food services (\$18.06 million), parking & transportation (\$8.81 million), health services (\$3.41 million), intercollegiate athletics (\$20.80 million), and vending & other activities (\$5.36 million).

Revenue by major source for the years ended June 30, 2022 and June 30, 2021 is depicted by the following chart:



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 (1)	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 322,745,027	\$ 326,095,877	\$ (3,350,850)	(1.03)%
Grants and Contracts	167,437,972	150,409,382	17,028,590	11.32 %
Sales and Services	22,668,454	18,873,006	3,795,448	20.11 %
Auxiliary Enterprises	73,507,648	56,956,917	16,550,731	29.06 %
Other Operating Revenues	1,771,546	3,730,139	(1,958,593)	(52.51)%
Total Operating Revenues	588,130,647	556,065,321	32,065,326	5.77 %
State Appropriations	309,775,918	260,969,883	48,806,035	18.70 %
Grants and Contracts	208,127,479	172,203,947	35,923,532	20.86 %
Gifts	19,085	21,000	(1,915)	(9.12)%
Investment Income	(887,215)	828,931	(1,716,146)	(207.03)%
Total Nonoperating Revenues	517,035,267	434,023,761	83,011,506	19.13 %
State Capital Gifts and Grants	10,947,008	15,638,105	(4,691,097)	(30.00)%
Other Capital Gifts and Grants	1,561,823	1,639,321	(77,498)	(4.73)%
Total Capital Gifts and Grants	12,508,831	17,277,426	(4,768,595)	(27.60)%
Total Revenues	\$ 1,117,674,745	\$ 1,007,366,508	\$ 110,308,237	10.95 %

(1) The amounts reported for fiscal year 2021 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

Fiscal year 2022 total revenues were \$110.31 million more than fiscal year 2021 total revenues. Tuition and fees decreased \$3.35 million (1.03%) due to a decrease in enrollment. Operating grants and contracts increased \$17.03 million (11.32%) as research activity accelerated following the pandemic. Auxiliary enterprises increased \$16.55 million (29.06%) due to many services returning to pre-pandemic levels. State appropriations increased \$48.81 million (18.70%) mostly due to state-funded salary increases in the amended budget for fiscal year 2022. Non-operating grants and contracts increased \$35.92 million (20.86%) mostly due to federal HEERF awards received. Investment income decreased \$1.72 million (207.03%) largely due to the impact of market conditions. State capital gifts and grants decreased \$4.69 million (30.00%) primarily related to the timing of asset transfers of managed capital projects funded by the Georgia State Financing and Investment Commission (GSFIC).

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 (1)	Increase/ (Decrease)	% Change
Instruction	\$ 273,982,978	\$ 331,649,362	\$ (57,666,384)	(17.39)%
Research	203,419,276	167,559,575	35,859,701	21.40 %
Public Service	21,679,712	22,995,374	(1,315,662)	(5.72)%
Academic Support	108,306,357	111,964,551	(3,658,194)	(3.27)%
Student Services	52,633,788	52,163,021	470,767	0.90 %
Institutional Support	45,129,280	52,737,194	(7,607,914)	(14.43)%
Plant Operations and Maintenance	82,243,420	86,837,834	(4,594,414)	(5.29)%
Scholarships and Fellowships	118,417,962	77,254,522	41,163,440	53.28 %
Auxiliary Enterprises	90,221,575	82,470,363	7,751,212	9.40 %
Total Operating Expenses	996,034,348	985,631,796	10,402,552	1.06 %
Interest Expense	10,870,677	11,036,179	(165,502)	(1.50)%
Other Nonoperating Expenses	209,406	1,961,946	(1,752,540)	89.33 %
Total Nonoperating Expenses	11,080,083	12,998,125	(1,918,042)	(14.76)%
Special Item	1,681,446		1,681,446	100.00 %
Total Expenses	\$ 1,008,795,877	\$ 998,629,921	\$ 10,165,956	1.02 %

(1) The amounts reported for fiscal year 2021 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

Total operating expenses were \$996.03 million in fiscal year 2022, an increase of \$10.40 million (1.06%) when compared with fiscal year 2021. Expense increases were primarily attributable to an increase in federal HEERF funds, the salary increase included in the amended FY 2022 budget, and increases in auxiliary spending as the campus returned to normal operations following the pandemic.

Statement of Cash Flows

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

Cash Flows for the Years Ended June 30, 2022 and 2021, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2022	June 30, 2021
Cash Provided (Used) by:		
Operating Activities	\$ (334,940,657)	\$ (338,847,528)
Non-Capital Financing Activities	533,335,188	407,691,867
Capital and Related Financing Activities	(157,949,266)	(33,121,799)
Investing Activities	(865,679)	800,659
NET CHANGE IN CASH and CASH EQUIVALENTS	39,579,586	36,523,199
Cash and cash equivalents, beginning of year	326,036,903	289,513,704
CASH and cash equivalents, end of year	\$ 365,616,489	\$ 326,036,903

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	June 30, 2022	June 30, 2021 (1)	Increase (Decrease)	% Change
Land	\$ 114,140,458	\$ 112,283,552	\$ 1,856,906	1.65 %
Capitalized Collections	1,198,045	1,193,045	5,000	0.42 %
Construction Work-in-Progress	30,032,771	7,256,590	22,776,181	313.87 %
Infrastructure	17,962,777	15,139,061	2,823,716	18.65 %
Building and Building Improvements	664,821,237	708,377,785	(43,556,548)	(6.15)%
Facilities and Other Improvements	25,707,639	23,334,856	2,372,783	10.17 %
Equipment	35,995,308	37,724,891	(1,729,583)	(4.58)%
Library Collections	34,133,887	35,075,011	(941,124)	(2.68)%
Capitalized Collections	—	—	—	0.00 %
Water, Timber, Mineral Rights, and Easements	—	—	—	0.00 %
Patents, Trademarks, and Copyrights	—	—	—	0.00 %
Software	—	—	—	0.00 %
Capital Assets, net of accumulated depreciation	\$ 923,992,122	\$ 940,384,791	\$ (16,392,669)	(1.74)%

(1) The amounts reported for fiscal year 2021 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes to the Financial Statements for more information regarding the restatement.

FY 2021 Capital Assets were restated to reflect changes required by GASB 87. The overall decrease in capital assets was driven by depreciation expense exceeding capital asset additions.

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

Long Term Liabilities

Georgia State University had Long-Term Liabilities of \$158.57 million of which \$26.06 million was reflected as current liability at June 30, 2022.

For additional information concerning Long-Term Liabilities, see Notes 8 and 13 in the Notes to the Financial Statements.

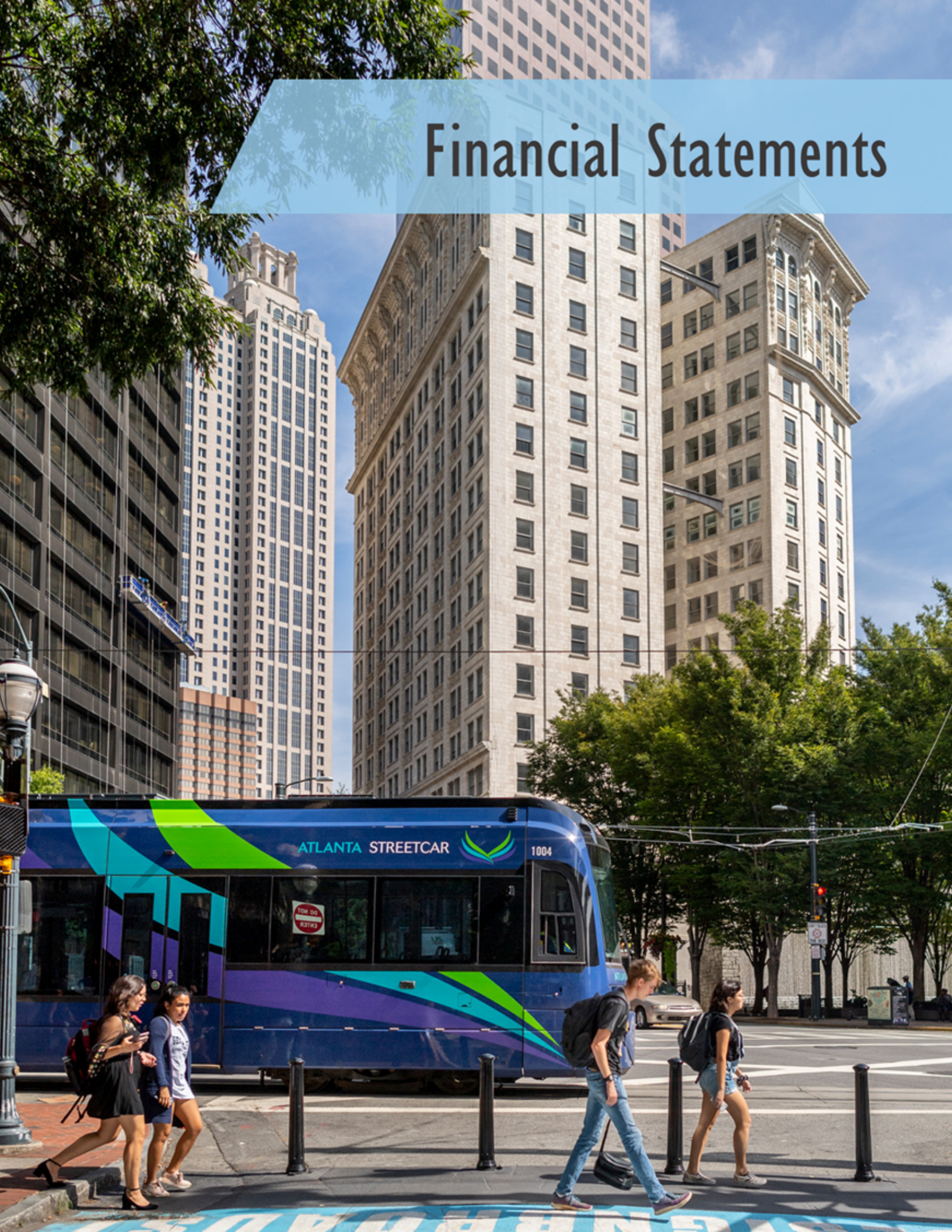
Notes to the Financial Statements are an integral part of the basic financial statements and communicate information essential for fair presentation. For example, the notes convey information concerning significant accounting policies used to prepare the financial statements, detailed information on cash, investments,

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

Economic Outlook

Georgia State University is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations. The University's overall financial position is strong. The University will maintain a close watch over resources to maintain the University's ability to react to unknown internal and external issues.

Financial Statements



GEORGIA STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Georgia State University	Component Units
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 335,201,124	\$ 36,121,745
Cash and Cash Equivalents (Externally Restricted)	30,080,558	8,956,683
Short-term Investments	—	—
Short-term Investments (Externally Restricted)	—	—
Accounts Receivable, net		
Federal Financial Assistance	20,248,260	18,184,707
State General Appropriations	—	—
Margin Allocation Funds	—	—
Affiliated Organizations	—	—
Component Units	25,134,987	—
Primary Government	—	6,912,473
Pledges and Contributions	—	20,782,587
Other	20,236,419	7,250,075
Notes Receivable, net	—	—
Due From Other Funds	—	—
Investment in Financing Leases - Primary Government	—	3,684,809
Investment in Financing Lease Arrangements	—	—
Inventories	233,476	—
Prepaid Items	37,217,683	28,578,310
Other Assets	—	—
Total Current Assets	468,352,507	130,471,389
Non-Current Assets		
Accounts Receivable, net		
Affiliated Organizations	—	10,000,000
Component Units	—	—
Primary Government	—	—
Due from USO - Capital Liability Reserve Fund	1,050,104	—
Due From Institution - Capital Liability Reserve Fund	—	—
Pledges and Contributions	—	—
Other	10,177,437	56,936
Investments	—	54,016,913
Notes Receivable, net	2,524,901	—
Due From Other Funds	—	—
Investment in Financing Lease Arrangements - Primary Government	—	88,943,612
Investment in Financing Lease Arrangements	—	—
Other Assets	—	4,126,850
Non-current Cash (Externally Restricted)	334,807	—
Short-term Investments (Externally Restricted)	—	—
Investments (Externally Restricted)	136,824	257,974,540
Capital Assets, net	923,992,122	18,594,993
Intangible Right-to-Use Assets, net	38,966,777	6,535,238
Total Non-Current Assets	977,182,972	440,249,082
TOTAL ASSETS	1,445,535,479	570,720,471
DEFERRED OUTFLOWS OF RESOURCES		
	\$ 192,466,414	\$ —

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

GEORGIA STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Georgia State University	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 35,329,918	\$ 4,012,990
Salaries Payable	1,212,712	—
Benefits Payable	2,659,712	—
Retainage Payable	2,897,333	—
Due to Affiliated Organizations	6,764,941	—
Due to Component Units	6,912,473	—
Due to Primary Government	—	25,134,987
Advances (Including Tuition and Fees)	72,559,686	31,604,897
Deposits	460,346	—
Deposits Held for Other Organizations	20,767	1,883,492
Other Liabilities	1,406,023	6,651,000
Notes and Loans Payable - External	—	32,120,000
Notes and Loans Payable - Component Units	3,684,809	—
Lease Obligations - External	2,173,241	4,450,273
Lease Obligations - Component Units	6,259,588	167,686
Revenue Bonds and Notes Payable	—	4,145,000
Compensated Absences	13,938,316	212,118
Total Current Liabilities	156,279,865	110,382,443
Non-Current Liabilities		
Notes and Loans Payable - Component Units	88,943,612	—
Lease Obligations - External	4,561,960	3,401,841
Lease Obligations - Component Units	27,108,623	576,570
Revenue Bonds and Notes Payable	—	93,884,725
Liabilities Under Split Interest Agreements	—	1,062,359
Compensated Absences	11,902,178	181,131
Net Other Post-employment Benefits Liability	515,558,328	—
Net Pension Liability	143,363,144	—
Total Non-Current Liabilities	791,437,845	99,106,626
TOTAL LIABILITIES	947,717,710	209,489,069
DEFERRED INFLOWS OF RESOURCES	321,172,205	—
NET POSITION		
Net Investment in Capital Assets	820,779,215	16,546,419
Restricted for:		
Nonexpendable	123,507	169,475,521
Expendable	2,699,798	118,643,298
Unrestricted (Deficit)	(454,490,542)	56,566,164
TOTAL NET POSITION	\$ 369,111,978	\$ 361,231,402

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

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

	Georgia State University	Component Units
OPERATING REVENUES		
Student Tuition and Fees (net)	\$ 322,745,027	\$ —
Grants and Contracts		
Federal	101,029,374	90,394,932
State	9,186,458	1,115,605
Other	57,222,140	21,379,870
Sales and Services	22,668,454	27,831,371
Rents and Royalties	273,800	20,050,653
Auxiliary Enterprises		
Residence Halls	16,204,448	—
Bookstore	857,011	—
Food Services	18,055,969	—
Parking/Transportation	8,813,281	—
Health Services	3,408,750	—
Intercollegiate Athletics	20,803,381	—
Other Organizations	5,364,808	—
Gifts and Contributions	—	54,236,745
Endowment Income	—	7,299,492
Other Operating Revenues	1,497,746	(5,797,138)
Total Operating Revenues	588,130,647	216,511,530
OPERATING EXPENSES		
Faculty Salaries	219,666,168	—
Staff Salaries	265,062,689	11,981,755
Employee Benefits	109,329,671	3,099,607
Other Personal Services	2,752,953	—
Travel	2,441,885	2,936,758
Scholarships and Fellowships	134,399,555	17,634,101
Utilities	20,063,913	267,019
Supplies and Other Services	177,838,154	146,135,077
Depreciation	64,479,360	914,831
Total Operating Expenses	996,034,348	182,969,148
Operating Income (Loss)	\$ (407,903,701)	\$ 33,542,382

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

	Georgia State University	Component Units
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	\$ 309,775,918	\$ —
Grants and Contracts		
Federal	204,920,613	—
Other	3,206,866	—
Gifts	19,085	—
Investment Income (Loss)	(887,215)	(37,689,606)
Interest Expense	(10,870,677)	(4,314,658)
Other Nonoperating Revenues (Expenses)	(209,406)	1,044,682
Net Nonoperating Revenues	505,955,184	(40,959,582)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	98,051,483	(7,417,200)
Capital Grants and Gifts		
State	10,947,008	—
Other	1,561,823	—
Special Item	(1,681,446)	1,693,165
Total Other Revenues, Expenses, Gains or Losses	10,827,385	1,693,165
Change in Net Position	108,878,868	(5,724,035)
Net Position, Beginning of Year, As Originally Reported	252,827,244	366,955,437
Prior Year Adjustments	7,405,866	—
Net Position, Beginning of Year, Restated	260,233,110	366,955,437
Net Position, End of Year	\$ 369,111,978	\$ 361,231,402

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

GEORGIA STATE UNIVERSITY **STATEMENT OF CASH FLOWS** **FOR FISCAL YEAR ENDED JUNE 30, 2022**

	Georgia State University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 427,285,065
Grants and Contracts (Exchange)	184,702,645
Payments to Suppliers	(329,241,704)
Payments to Employees	(485,015,092)
Payments for Scholarships and Fellowships	(134,399,555)
Loans Issued to Students	(5,076,844)
Collection of Loans from Students	5,329,697
Other Receipts	1,475,131
Net Cash Used by Operating Activities	<u>(334,940,657)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	309,775,918
Gifts and Grants Received for Other Than Capital Purposes	223,223,547
Other Non-Capital Financing Receipts	335,723
Net Cash Flows Provided by Non-Capital Financing Activities	<u>533,335,188</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	10,055,999
Gain from Sale of Capital Assets	4,596
Purchases of Capital and Intangible Right-to-Use Assets	(57,674,624)
Early Extinguishment of Debt Through Defeasance	(83,366,397)
Principal Paid on Capital Debt and Leases	(15,237,850)
Interest Paid on Capital Debt and Leases	(11,730,990)
Net Cash Used by Capital and Related Financing Activities	<u>(157,949,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	7,198
Investment Loss	(872,877)
Net Cash Used by Investing Activities	<u>(865,679)</u>
Net Increase in Cash and Cash Equivalents	39,579,586
Cash and Cash Equivalents, Beginning of Year	<u>326,036,903</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 365,616,489</u></u>

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

GEORGIA STATE UNIVERSITY **STATEMENT OF CASH FLOWS** **FOR FISCAL YEAR ENDED JUNE 30, 2022**

Georgia State University

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

Operating Loss	\$ (407,903,701)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation and Amortization	64,479,360
Change in Assets and Liabilities:	
Receivables, net	12,995,895
Inventories	(82,700)
Prepaid Items	(4,054,225)
Other Assets	
Notes Receivable, Net	252,853
Accounts Payable	5,223,651
Salaries Payable	926,488
Benefits Payable	430,220
Deposits	37,985
Advances (Including Tuition and Fees)	14,621,753
Other Liabilities	(219,653)
Compensated Absences	836,295
Due to Affiliated Organizations	8,998,842
Net Pension Liability	(260,586,528)
Other Post-Employment Benefit Liability	(33,188,684)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	249,532,177
Deferred Outflows of Resources	12,759,315
Net Cash Used by Operating Activities	<u><u>\$ (334,940,657)</u></u>

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

Non-capital Financing Activities Noncash Items:

Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	\$ 16,381,711
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	<u><u>\$ 4,176,873</u></u>

Capital Financing Activities Noncash Items:

Current Year Accruals Related to Capital Financing Activities	\$ 2,788,719
Gift of Capital Assets	<u><u>\$ 1,486,828</u></u>
Gain (Loss) on Disposal of Capital Assets	<u><u>\$ 169,912</u></u>
Accrual of Capital Asset Related Payables	<u><u>\$ 2,962,396</u></u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u><u>\$ 426,322</u></u>
Amortization of Deferred Inflows - Capital Debt Refunded	<u><u>\$ 860,313</u></u>
Additional Deferred Inflows - Capital Debt Refunded Recognized with Debt Extinguishment	<u><u>\$ 6,283,686</u></u>

Investing Activities Noncash Items:

Unrealized Gain (Loss) on Investments	<u><u>\$ (14,338)</u></u>
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The notes to the financial statements are an integral part of this statement.

GEORGIA STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Georgia State University Custodial Funds
ASSETS	
Receivables, Net	
Other	\$ 15,374,805
LIABILITIES	
Cash Overdraft	12,989,548
Accounts Payable	1,306,988
Deposits held for other organizations	303,204
Total Liabilities	14,599,740
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ 775,065

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

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

	Georgia State University Custodial Funds
ADDITIONS	
Federal Financial Aid	\$ 199,068,214
State Financial Aid	103,410,398
Other Financial Aid	25,265,986
Clubs and Other Organizations Fund Raising	8,477,456
Public-Private Partnership Passthrough	29,382,585
Miscellaneous	<u>6,366</u>
Total Additions	<u>365,611,005</u>
DEDUCTIONS	
Scholarships and Other Student Support	328,254,421
Student Organizations Support	7,788,881
Public-Private Partnership Passthrough	<u>29,382,585</u>
Total Deductions	<u>365,425,887</u>
Net Increase (Decrease) in Fiduciary Net Position	185,118
Net Position, Beginning of Year, As Originally Reported	<u>589,947</u>
Net Position, End of Year	<u><u>\$ 775,065</u></u>

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

GEORGIA STATE UNIVERSITY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2022

	Georgia State Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc. & Affiliates	Elimination/ Consolidation Entries	Total
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 3,682,327	\$ 14,677,205	\$ 17,762,213	\$ —	\$ 36,121,745
Cash and Cash Equivalents (Externally Restricted)	558,402	6,848,281	1,550,000	—	8,956,683
Accounts Receivable, net					
Federal Financial Assistance	—	—	18,184,707	—	18,184,707
Affiliated Organizations	—	—	—	—	—
Primary Government	6,912,473	—	—	—	6,912,473
Pledges and Contributions	119,235	20,782,587	—	(119,235)	20,782,587
Other	475,833	3,674,313	3,099,929	—	7,250,075
Investment in Capital Leases - Primary Government	—	3,684,809	—	—	3,684,809
Prepaid Items	157,968	—	28,420,342	—	28,578,310
Other Assets	—	—	—	—	—
Total Current Assets	11,906,238	49,667,195	69,017,191	(119,235)	130,471,389
Non-Current Assets					
Accounts Receivable, net					
Affiliated Organizations	—	—	10,000,000	—	10,000,000
Pledges and Contributions	1,160,525	—	—	(1,160,525)	—
Other	—	—	56,936	—	56,936
Investments	5,897,479	46,282,881	7,734,032	(5,897,479)	54,016,913
Investment in Capital Leases - Primary Government	—	88,943,612	—	—	88,943,612
Other Assets	—	4,126,850	—	—	4,126,850
Investments (Externally Restricted)	—	257,974,540	—	—	257,974,540
Capital Assets, net	343,123	13,274,587	4,977,283	—	18,594,993
Intangible Right-to-Use Assets, net	—	5,803,540	731,698	—	6,535,238
Total Non-Current Assets	7,401,127	416,406,010	23,499,949	(7,058,004)	440,249,082
TOTAL ASSETS	19,307,365	466,073,205	92,517,140	(7,177,239)	570,720,471
DEFERRED OUTFLOWS OF RESOURCES					
	\$ —	\$ —	\$ —	\$ —	\$ —

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

GEORGIA STATE UNIVERSITY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2022

	Georgia State Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc. & Affiliates	Elimination/ Consolidation Entries	Total
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 745,813	\$ 2,817,847	\$ 449,330	\$ —	\$ 4,012,990
Due to Primary Government	432,400	—	24,702,587	—	25,134,987
Advances (Including Tuition and Fees)	2,763,938	370,819	28,470,140	—	31,604,897
Deposits Held for Other Organizations	—	1,883,492	—	—	1,883,492
Other Liabilities	—	6,651,000	—	—	6,651,000
Notes and Loans Payable	—	32,120,000	—	—	32,120,000
Lease Purchase Obligations - External	16,115	4,434,158	—	—	4,450,273
Lease Purchase Obligations - Component Units	—	—	167,686	—	167,686
Revenue Bonds and Notes Payable	—	4,145,000	—	—	4,145,000
Compensated Absences	212,118	—	—	—	212,118
Total Current Liabilities	<u>4,170,384</u>	<u>52,422,316</u>	<u>53,789,743</u>	<u>—</u>	<u>110,382,443</u>
Non-Current Liabilities					
Lease Purchase Obligations - External	21,875	3,379,966	—	—	3,401,841
Lease Purchase Obligations - Component Units	—	—	576,570	—	576,570
Revenue Bonds and Notes Payable	—	93,884,725	—	—	93,884,725
Liabilities Under Split Interest Agreements	—	1,062,359	—	—	1,062,359
Compensated Absences	181,131	—	—	—	181,131
Total Non-Current Liabilities	<u>203,006</u>	<u>98,327,050</u>	<u>576,570</u>	<u>—</u>	<u>99,106,626</u>
TOTAL LIABILITIES	<u>4,373,390</u>	<u>150,749,366</u>	<u>54,366,313</u>	<u>—</u>	<u>209,489,069</u>
DEFERRED INFLOWS OF RESOURCES					
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET POSITION					
Net Investment in Capital Assets	305,133	11,264,003	4,977,283	—	16,546,419
Restricted for:					
Nonexpendable	—	167,925,521	1,550,000	—	169,475,521
Expendable	7,735,641	111,219,637	6,865,259	(7,177,239)	118,643,298
Unrestricted (Deficit)	<u>6,893,201</u>	<u>24,914,678</u>	<u>24,758,285</u>	<u>—</u>	<u>56,566,164</u>
TOTAL NET POSITION	<u>\$ 14,933,975</u>	<u>\$ 315,323,839</u>	<u>\$ 38,150,827</u>	<u>\$ (7,177,239)</u>	<u>\$ 361,231,402</u>

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

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

	Georgia State Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc. & Affiliates	Elimination/ Consolidation Entries	Total
OPERATING REVENUES					
Grants and Contracts					
Federal	\$ —	\$ —	\$ 90,394,932	\$ —	\$ 90,394,932
State	—	—	1,115,605	—	1,115,605
Other	—	—	21,379,870	—	21,379,870
Sales and Services	27,831,371	—	—	—	27,831,371
Rents and Royalties	595,108	16,808,070	2,647,475	—	20,050,653
Gifts and Contributions	15,298,770	44,302,778	3,100,000	(8,464,803)	54,236,745
Endowment Income	—	7,299,492	—	—	7,299,492
Other Operating Revenues	1,873,163	(8,005,095)	334,794	—	(5,797,138)
Total Operating Revenues	45,598,412	60,405,245	118,972,676	(8,464,803)	216,511,530
OPERATING EXPENSES					
Staff Salaries	9,339,459	2,642,296	—	—	11,981,755
Employee Benefits	3,099,607	—	—	—	3,099,607
Travel	2,307,068	613,152	16,538	—	2,936,758
Scholarships and Fellowships	6,286,328	8,247,773	3,100,000	—	17,634,101
Utilities	265,476	—	1,543	—	267,019
Supplies and Other Services	18,526,726	20,575,375	111,983,191	(4,950,215)	146,135,077
Depreciation	89,326	665,798	159,707	—	914,831
Total Operating Expenses	39,913,990	32,744,394	115,260,979	(4,950,215)	182,969,148
Operating Income (Loss)	\$ 5,684,422	\$ 27,660,851	\$ 3,711,697	\$ (3,514,588)	\$ 33,542,382

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

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

	Georgia State Athletic Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation, Inc. & Affiliates	Elimination/ Consolidation Entries	Total
NONOPERATING REVENUES (EXPENSES)					
Investment Income	\$ 68,502	\$ (37,449,489)	\$ (308,619)	\$ —	\$ (37,689,606)
Interest Expense	—	(3,284,214)	(1,030,444)	—	(4,314,658)
Other Nonoperating Revenues (Expenses)	—	—	1,044,682	—	1,044,682
Net Nonoperating Revenues	68,502	(40,733,703)	(294,381)	—	(40,959,582)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	5,752,924	(13,072,852)	3,417,316	(3,514,588)	(7,417,200)
Capital Grants and Gifts					
Special Item	—	—	1,693,165	—	1,693,165
Extraordinary Item	—	—	—	—	—
Total Other Revenues, Expenses, Gains or Losses	—	—	1,693,165	—	1,693,165
Change in Net Position	5,752,924	(13,072,852)	5,110,481	(3,514,588)	(5,724,035)
Net Position, Beginning of Year, As Originally Reported	9,181,051	328,396,691	33,040,346	(3,662,651)	366,955,437
Net Position, End of Year	<u>\$ 14,933,975</u>	<u>\$ 315,323,839</u>	<u>\$ 38,150,827</u>	<u>\$ (7,177,239)</u>	<u>\$ 361,231,402</u>

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

Notes to the Financial Statements



GEORGIA STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Georgia State University (University) 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 University 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 University does not have the right to sue/be sued without recourse to the State. The University'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 University is not legally separate from the State. Accordingly, the University is included within the State's basic financial statements as part of the primary government as defined in section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

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

- Georgia State University Athletic Association, Inc., 755 Hank Aaron Dr., Atlanta, GA 30315
- Georgia State University Foundation, Inc., 533 One Park Place, Atlanta, GA 30301.
- Georgia State University Research Foundation, Inc., 100 Auburn Avenue, Suite 315, Atlanta, GA, 30303

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

Basis of Accounting and Financial Statement Presentation

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

The University'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 University reports the following fiduciary fund:

- Pension and Other Post Employment Benefit Trust Funds - Accounts for the activities of the Early Retirement Plan, the Board of Regents Retiree Health Benefit Fund and the Deferred Compensation Fund.
- Custodial Funds - Accounts for activities resulting from the University 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 University adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates 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 and discretely presented component units.

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 University 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 University 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 University 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 University accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying 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 Balanced Income Fund, and the Board of Regents Diversified Fund are included as investments.

Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Assets 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 University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

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

Non-current Cash and Investments

Cash and investments that are externally restricted and cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position.

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

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure

and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

To fully understand plant additions in the University, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to the System. 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 University System 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 University leases certain academic spaces, administrative offices, and equipment under lease agreements. The University 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 University's right to use an underlying asset for the lease term. Lease obligations represent the University'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.

Capital Liability Reserve Fund

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term capital lease obligations. All USG institutions participating in the PPV program contribute to the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as 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 University's Statement of Net Position as Due from USO - Capital Liability Reserve Fund represents the University'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.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position, additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by Teachers Retirement System of Georgia 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 University's net position is classified as follows:

Net investment in capital assets represents the University'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 - non-expendable 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 University 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 University 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 University 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. Unrestricted net position also includes 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 University's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Income Taxes

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

Classification of Revenues and Expenses

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

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.
- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB 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 University, 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 University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the University 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 \$97,104,664.

Special Item

During fiscal year 2022, the University paid \$83.37 million to extinguish \$75.40 million in notes and loans payable and recognize \$6.3 million in deferred inflows of resources related to the Petit Science Center and the Newton Academic Building through defeasance. The resulting transaction is reported as a special item of the Statement of Revenues, Expenses, and Changes in Net Position.

Special Item - Debt Extinguishment:

Reduction of Notes and Loans Payable	\$ 75,401,266
Reduction of Deferred Inflow of Resources - Debt Refunding	6,283,685
Cash paid in Defeasance	(83,366,397)
Total	<u>\$ (1,681,446)</u>

Restatement of Prior Year Net Position

The University made the following restatements:

	Business-type Activities
Net position, beginning of year, as originally reported	\$ 252,827,244
Changes in accounting principles - GASB 87	
Increase in Long-Term Liabilities	(18,644,257)
Increase in Intangible Right-to-use Assets	47,921,188
Decrease in Capital Assets	(20,655,265)
Increase in Lease Receivable	10,177,437
Increase in Deferred Inflows - Leases	(10,177,437)
Correction of prior year errors	<u>(1,215,800)</u>
Net position, beginning of year, restated	<u>\$ 260,233,110</u>

The University made prior period adjustments due to the adoption of GASB Statement No. 87 and a correction of a prior year error related to unrecorded payables, which required the restatement of the June 30, 2021 business type activities net position. Under GASB Statement No. 87, 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. The above table reflects the results of this restatement. This change is in accordance with generally accepted accounting principles.

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	\$	335,201,124
Cash and Cash Equivalents (Externally Restricted)		30,080,558
Noncurrent		
Noncurrent Cash (Externally Restricted)		334,807
Noncurrent Investments (Externally Restricted)		136,824
Statement of Fiduciary Net Position		
Cash and Cash Equivalents	\$	(12,989,548)
	\$	<u>352,763,765</u>

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

Cash on Hand	\$	35,799
Deposits with Financial Institutions		54,392,199
Investments		<u>298,335,767</u>
	\$	<u>352,763,765</u>

A. Deposits with Financial Institutions

Deposits include certificates of deposits and demand deposit accounts, including certain interest-bearing demand deposit accounts. The custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the University) 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 University 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 University's deposits totaled \$45,902,682. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the University. None of these deposits were exposed to custodial credit risk.

B. Investments

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

The following table summarizes the valuation of the University's investments measured at fair value on a recurring basis and at net asset value as of June 30, 2022.

	<u>Fair Value</u>
Investment Pools	
Board of Regents	
Short-Term Fund	\$ 95,202,263
Balanced Income Fund	49,244
Diversified Fund	87,581
Office of the State Treasurer	
Georgia Fund 1	<u>202,996,679</u>
Total Investments	<u><u>\$ 298,335,767</u></u>

The University holds positions in the Georgia Fund 1 investment pool managed by the Georgia Office of the State Treasurer. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The University 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 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 University'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 four years, and the fund will typically have an overall average duration of $\frac{3}{4}$ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the University's position in the Short-Term Fund at June 30, 2022 was \$95,202,263, of which 100% is invested in debt securities. The Effective Duration of the Fund is 0.96 years.

2. Balanced Income Fund

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

The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the University's position in the Balanced Income Fund at June 30, 2022 was \$49,244, of which 68% is invested in debt securities. The Effective Duration of the Fund is 5.76 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 University's position in the Diversified Fund at June 30, 2022 was \$87,581, 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 per share. The Georgia Fund 1 Investment Pool is an AAAs 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 University's policy for managing interest rate risk attempts to match investments with expected cash requirements.

Credit Quality Risk

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

1. In the Short-Term Fund, all debt issues must be eligible investments under O.C.G.A § 50-17-59 and 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.
2. In the Balanced Income Fund, and Diversified Fund, total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.
3. The Georgia Fund 1 Investment Pool is managed by the Office of the State Treasurer (OST). OST utilizes a counterparty risk assessment model to assess credit risk of financial institutions that have been approved to serve as counterparties and major depositories. OST has assigned credit limits to each financial institution based upon counterparty risk assessment model which incorporates market indicators, default probabilities, issuer research and issuer ratings to determine maximum credit exposure per institution, term of investment for respective counterparties and collateralization requirements in accordance with the OST Investment Policy.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University has a formal policy for managing exposure to foreign currency credit risk by requiring a maximum balance in a single foreign account of \$100,000 U.S. currency. The University does not have deposits in foreign banks.

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 15,682,557	\$ —
Auxiliary Enterprises and Other Operating Activities	1,879,142	
Federal Financial Assistance	20,248,260	579,635
State General Appropriations Allotment	—	
Georgia Student Finance Commission	—	7,476,367
Georgia State Financing and Investment Commission	2,788,718	—
Margin Allocation Funds	—	—
Due from Affiliated Organizations	—	—
Due from Component Units	25,134,987	—
Due from Other USO-Capital Liability Reserve Fund	1,050,104	—
Lease Receivables	11,281,070	—
Other	10,779,586	7,318,803
	88,844,424	15,374,805
Less: Allowance for Doubtful Accounts	11,997,217	—
Net Accounts Receivable	76,847,207	15,374,805

Note 4 Inventories

Inventories consisted of the following at June 30, 2022:

Consumable Supplies	\$	202,450
Merchandise for Resale		<u>31,026</u>
Total	\$	<u><u>233,476</u></u>

Note 5 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 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 University for amounts canceled under these provisions. As the University 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 University 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 \$109,239.

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	Additions	Reductions	Balance June 30, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 112,283,552	\$ 1,856,906	\$ —	\$ 114,140,458
Capitalized Collections	1,193,045	5,000	—	1,198,045
Construction Work-in-Progress	7,256,590	26,454,372	3,678,191	30,032,771
Total Capital Assets Not Being Depreciated	<u>120,733,187</u>	<u>28,316,278</u>	<u>3,678,191</u>	<u>145,371,274</u>
Capital Assets, Being Depreciated/Amortized:				
Infrastructure	35,020,163	4,525,041	—	39,545,204
Building and Building Improvements	1,178,869,659	9,422,451	—	1,188,292,110
Facilities and Other Improvements	38,169,292	3,690,693	—	41,859,985
Equipment	158,802,421	11,430,410	3,781,124	166,451,707
Library Collections	186,413,712	5,824,453	100,262	192,137,903
Total Capital Assets Being Depreciated/Amortized	<u>1,597,275,247</u>	<u>34,893,048</u>	<u>3,881,386</u>	<u>1,628,286,909</u>
Less: Accumulated Depreciation/Amortization				
Infrastructure	19,881,102	1,701,325	—	21,582,427
Building and Building Improvements	489,688,539	33,782,334	—	523,470,873
Facilities and Other Improvements	14,834,436	1,317,910	—	16,152,346
Equipment	122,536,182	11,531,429	3,611,212	130,456,399
Library Collections	151,338,649	6,765,629	100,262	158,004,016
Total Accumulated Depreciation/Amortization	<u>798,278,908</u>	<u>55,098,627</u>	<u>3,711,474</u>	<u>849,666,061</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>798,996,339</u>	<u>(20,205,579)</u>	<u>169,912</u>	<u>778,620,848</u>
Capital Assets, net	<u>\$ 919,729,526</u>	<u>\$ 8,110,699</u>	<u>\$ 3,848,103</u>	<u>\$ 923,992,122</u>

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. GSFIC had construction in

progress valued at \$66,774,422 for incomplete GSFIC managed projects for the University. For the year ended June 30, 2022, GSFIC did not transfer any capital additions to the University related to GSFIC managed projects.

Intangible Right-to-Use Assets

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

	(Restated) Beginning Balances July 1, 2021	Additions	Reductions	Ending Balance June 30, 2022
Intangible Right-to-use Assets				
Building and Building Improvements	\$ 46,895,540	\$ —	\$ —	\$ 46,895,540
Equipment	1,025,648	426,322	—	1,451,970
Total Leased Assets Being Amortized	47,921,188	426,322	—	48,347,510
Less: Accumulated amortization				
Building and Building Improvements	—	8,810,461	—	8,810,461
Equipment	—	570,272	—	570,272
Total Accumulated Amortization	—	9,380,733	—	9,380,733
Intangible Right-to-use Assets, net	<u>\$ 47,921,188</u>	<u>\$ (8,954,411)</u>	<u>\$ —</u>	<u>\$ 38,966,777</u>

Note 7 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 31,683,433
Research	34,956,514
Other - Advances	5,919,739
Totals	<u>\$ 72,559,686</u>

Note 8 Long-Term Liabilities

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

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
Leases					
Lease Obligations	\$ 47,921,189	\$ 426,322	\$ 8,244,099	\$ 40,103,412	\$ 8,432,829
Other Liabilities					
Compensated Absences	25,004,199	17,136,504	16,300,209	25,840,494	13,938,316
Notes and Loans Payable	174,961,005		82,332,584	92,628,421	3,684,809
Total	199,965,204	17,136,504	98,632,793	118,468,915	17,623,125
Total Long-Term Liabilities	\$ 247,886,393	\$ 17,562,826	\$ 106,876,892	\$ 158,572,327	\$ 26,055,954

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.

Notes and Loans Payable

Financing Lease Agreements

The University is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the assets 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 University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing lease agreements for fiscal year 2022 were \$6,993,752 and \$9,328,684, respectively. In addition, the University paid \$83,366,397 to extinguish \$75,338,832 in debt related to the Petit Science Center and the Newton Academic Building through defeasance.

The University has \$92,628,421 in outstanding notes and loans payable due to component units for financing lease agreements. Interest rates range from 2.26% to 7.803%.

The following 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
	(+)	(-)	(=)	
Finance Buildings and Building Improvements	\$122,381,079	\$ 31,219,619	\$ 91,161,460	\$ 92,628,421

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

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal
SunTrust Tower	GSU Foundation	52,689,804	29 years	June 2007	June 2036	39,717,493
SunTrust Parking Deck	GSU Foundation	12,793,580	29 years	June 2007	June 2036	9,785,895
Newton Learning Center	GSU Foundation	12,754,177	29 years	August 2009	June 2038	7,124,245
Clarkston International Center	GSU Foundation	3,048,768	29 years	September 2009	June 2038	2,412,110
Clarkston Parking Deck	GSU Foundation	8,281,580	30 years	August 2008	June 2038	6,898,646
Clarkston Student Success Center	GSU Foundation	6,015,435	29 years	March 2009	June 2038	4,873,819
Decatur Student Success Center	GSU Foundation	9,002,865	29 years	May 2009	June 2038	7,236,331
Dunwoody Parking Deck	GSU Foundation	8,436,012	30 years	August 2008	June 2038	7,027,288
Dunwoody Student Success Center	GSU Foundation	<u>9,358,859</u>	29 years	April 2009	June 2038	<u>7,552,594</u>
Total Financing Lease Agreements		<u>\$ 122,381,080</u>				<u>\$ 92,628,421</u>

All of the University's financing lease agreements 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	\$ 3,684,809	\$ 5,778,514
2024	4,098,778	5,532,747
2025	4,372,158	5,269,532
2026	4,669,374	4,988,315
2027	4,985,240	4,687,603
2028 through 2032	30,488,373	18,146,120
2033 through 2037	36,403,306	6,923,452
2038 through 2042	<u>3,926,383</u>	<u>161,417</u>
Total Minimum Lease Payments	<u>\$ 92,628,421</u>	<u>\$ 51,487,701</u>

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)	\$ 104,558,269
Deferred Outflows on OPEB Plan (See Note 17)	87,908,145
Total Deferred Outflows of Resources	\$ 192,466,414

Deferred Inflows of Resources

Deferred Inflows on Debt Refunding	\$ 6,485,455
Unavailable Revenues	8,662,039
Deferred Inflows on Defined Benefit Pension Plans (See Note 14)	217,122,853
Deferred Inflows on OPEB Plan (See Note 17)	77,620,788
Deferred Inflows of Resources - Leases	11,281,070
Total Deferred Inflows of Resources	\$ 321,172,205

Deferred Inflows on Debt Refunding

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

In August 2017, the Georgia State University Foundation refunded the bonds associated with the former SunTrust Tower and Parking Decks and passed the associated cash flow savings of the refinance to the University in the form of reduced payments. In May 2018, the Georgia State University Foundation refunded the bonds associated with the Georgia Perimeter Student Support Projects and passed the perceived economic advantages of the refund to the University. As a result of these refunds, the University recognized Deferred Inflows on Debt refunding.

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.

Deferred Inflows of Resources - Leases

The University has entered into various multi-year agreements leasing University property to third parties. Terms range from 5 to 20 years and interest rates range from 2.26% to 3.42%. The University recognized \$2,152,580 in current year amortized revenue related to these leases and the remaining deferred inflows of resources was \$11,281,070.

Note 10 Net Position

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

Net Investment in Capital Assets	\$ 820,779,215
Restricted for	
Nonexpendable	
Permanent Endowment	123,507
Expendable	
Sponsored and Other Organized Activities	90,611
Federal Loans	2,596,032
Quasi-Endowments	13,155
Sub-Total	2,699,798
Unrestricted	
Auxiliary Enterprises Operations	68,549,442
Reserve for Encumbrances	92,663,452
Reserve for Inventory	160,089
Capital Liability Reserve Fund	1,050,104
Other Unrestricted	(616,913,629)
Sub-Total	(454,490,542)
Total Net Position	\$ 369,111,978

Other unrestricted net position is reduced by \$505,270,971 related to the recording of net OPEB liability, deferred inflows, and deferred outflows of resources related to OPEB plan. Other unrestricted net position is also reduced by \$255,927,728 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources related to defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University 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	\$ 728,183,200	\$ 149,189,462	\$ 56,593,447	\$ 820,779,215
Restricted Net Position	21,577,640	388,074,282	406,828,617	2,823,305
Unrestricted Net Position	(489,527,730)	727,919,017	692,881,829	(454,490,542)
Total Net Position	\$ 260,233,110	\$ 1,265,182,761	\$ 1,156,303,893	\$ 369,111,978

Note 11 Endowments

Donor Restricted Endowments

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. For University 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.

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

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

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2022. The University had no other significant unearned outstanding construction or renovation contracts.

Note 13 Leases

Lease Obligations

The University leases land, facilities, office and computer equipment, and other assets. 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 University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest cash payments related to capital leases for fiscal year 2022 were \$8,244,097 and \$2,402,305, respectively. Interest rates range 2.26% to 7.36235%. The University has \$33,368,211 in outstanding lease obligations due to component units. Component units have \$33,368,211 in investment in capital lease receivables due from the University.

There were no residual guaranteed payment, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2022. In addition, the institution paid \$1,473,310 related to leased facilities where these funds will be used for future improvements. If these funds are not used, the funds will be returned to the institution at the end of the lease.

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 Equipment	\$ 1,451,970	\$ 570,272	\$ 881,698	\$ 881,698
Leased Buildings and Building Improvements	46,895,540	8,810,461	38,085,079	39,221,714
Total Assets Held Under Lease	<u>\$ 48,347,510</u>	<u>\$ 9,380,733</u>	<u>\$ 38,966,777</u>	<u>\$ 40,103,412</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal	
Lofts Housing	GSU Foundation	\$ 27,581,592	11 years	Jul 2021	Aug 2032	\$ 25,993,031	(1)
Rialto Center	GSU Foundation	916,905	23 years	Jul 2021	Nov 2044	900,698	(1)
Andrew Young	Georgia Building Authority	4,824,934	3 years	Jul 2021	May 2024	3,082,597	(1)
Tower Place-Buckhead	GSU Foundation	10,740,889	4 years	Jul 2021	Jun 2025	6,474,482	(1)
Capital Hill-Child Enrichment Center	Georgia Building Authority	2,831,220	32 years	Jul 2021	Jun 2053	2,770,908	(1)
Various Equipment	Various vendors	87,703	5 years	Jul 2021	Dec 2026	44,779	
Various Copiers	Various vendors	1,364,267	3 to 4 years	Jul 2021	May 2025	836,917	
Total Leases		<u>\$ 48,347,510</u>				<u>\$ 40,103,412</u>	

(1) These leases are related party transactions.

Lofts Housing is a sublease of a lease agreement between the Georgia State University Foundation and TUFF/Atlanta Housing, LLC. The Rialto Center is a sublease of a lease agreement between the Georgia State University Foundation and Rialto Associates, LLC.

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 is the future commitments related to the outstanding lease obligations as of June 30, 2022:

	Principal	Interest
Year Ending June 30:		
2023	\$ 8,432,830	\$ 2,136,370
2024	5,657,128	1,879,439
2025	2,216,308	1,712,669
2026	2,301,946	1,551,612
2027	2,467,423	1,380,694
2028 through 2032	15,669,584	3,805,593
2033 through 2037	1,256,585	451,372
2038 through 2042	771,766	301,470
2043 through 2047	735,195	133,171
2048 through 2052	594,647	37,408
Total Minimum Lease Payments	<u>\$ 40,103,412</u>	<u>\$ 13,389,798</u>

Note 14. Retirement Plans

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

The reports may be obtained from the respective administrative offices. The University also provides the Regents Retirement Plan.

The significant retirement plans that the University 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 University as defined in O.C.G.A. § 47-3-60 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.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 University's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of the University's annual payroll. The University's contributions to TRS totaled \$40,932,993 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 www.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 University's contributions to ERS totaled \$368,097 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 University 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 University'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 University's TRS proportion was 1.610535%, which was a decrease of (0.049422)% from its proportion measured as of June 30, 2020. At June 30, 2021, the University's ERS proportion was 0.039423%, which was a decrease of (0.004305)% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the University recognized pension expense of \$4,744,794 for TRS and \$115,483 for ERS. At June 30, 2022, the University 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	\$ 33,990,969	\$ —	\$ 21,821	\$ —
Changes of assumptions	27,569,009	—	265,529	—
Net difference between projected and actual earnings on pension plan investments	—	208,351,064	—	852,208
Changes in proportion and differences between contributions and proportionate share of contributions	1,379,902	7,816,518	29,949	103,063
Contributions subsequent to the measurement date	40,932,993	—	368,097	—
Total	<u>\$ 103,872,873</u>	<u>\$216,167,582</u>	<u>\$ 685,396</u>	<u>\$ 955,271</u>

The University'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	\$ (28,824,349)	\$ (54,919)
2024	\$ (29,057,529)	\$ (148,318)
2025	\$ (42,496,353)	\$ (207,104)
2026	\$ (52,849,471)	\$ (227,631)

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	0.05	10.60 %	5.00 %	10.60 %
Total	<u>100.00 %</u>		<u>100.00 %</u>	

* 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.25% for TRS and 7.00% for ERS, as well as what the University'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	\$ 383,698,529	\$ 142,441,078	\$ (55,252,753)

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 1,689,665	\$ 922,066	\$ 272,891

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 www.trsga.com/publications and 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 University and the covered employees made the required contributions of \$16,410,575 (9.24%) and \$10,656,118 (6.00%), respectively.

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

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 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 University's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

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

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

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

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

Note 16 Contingencies

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

Litigation, claims and assessments filed against the University, 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, healthcare plan administered by the University System Office, an organizational unit of the USG. The Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 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 healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to the retirees' health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses.

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

Active Employees	4,979
Retirees or Beneficiaries Receiving Benefits	1,788
Retirees Receiving Life Insurance Only	<u>383</u>
Total	<u><u>7,150</u></u>

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

The University 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%. The employer portion of health insurance ranges from 0% to 100%, based on years of service, for employees hired after January 1, 2013 and retiring after January 1, 2018. 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 University contributed \$14,809,932 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 University 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 University'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 University's proportion was 10.243395%, which was a decrease of 0.044867% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the University recognized OPEB expense of \$20,819,027. At June 30, 2022, the University 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	\$ 27,756,976	\$ 1,763,857
Changes of assumptions	42,522,736	71,106,081
Net difference between projected and actual earnings on OPEB plan investments	—	1,278,495
Changes in proportion and differences between contributions and proportionate share of contributions	2,818,502	3,472,355
Contributions subsequent to the measurement date	<u>14,809,932</u>	<u>—</u>
Total	<u><u>\$ 87,908,146</u></u>	<u><u>\$ 77,620,788</u></u>

The University's contributions subsequent to the measurement date of \$14,809,932 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	\$	(7,630,074)
2024	\$	(3,408,847)
2025	\$	(3,188,839)
2026	\$	(2,437,130)
2027	\$	6,770,041
Thereafter	\$	5,372,275

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 Healthcare 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 arithmetic 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 Buyer.

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

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.18%) or 1% 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	\$ 624,045,090	\$ 515,558,328	\$ 431,899,033

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 435,025,092	\$ 515,558,328	\$ 621,568,411
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 www.usg.edu/fiscal_affairs/financial_reporting/.

Note 18 Operating Expenses with Functional Classifications

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

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 148,984,496	\$ 46,898,503	\$ 56,484,020	\$ 1,054,225	\$ 802,262
Research	52,143,155	53,389,920	14,521,711	23,127	688,513
Public Service	1,648,111	10,885,363	2,938,898	213	103,185
Academic Support	14,062,283	43,661,311	14,634,929	540	207,817
Student Services	1,327,543	30,888,169	7,847,530	—	249,499
Institutional Support	1,437,859	27,960,891	—	1,638,339	46,264
Plant Operations and Maintenance	—	26,758,308	6,868,350	—	58,835
Scholarships and Fellowships	—	93,194	—	13,028	—
Auxiliary Enterprises	62,721	24,527,030	6,034,233	23,481	285,510
Total Operating Expenses	<u>\$ 219,666,168</u>	<u>\$ 265,062,689</u>	<u>\$ 109,329,671</u>	<u>\$ 2,752,953</u>	<u>\$ 2,441,885</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 3,737,933	\$ 16,071	\$ 5,952,821	\$ 10,052,647	\$ 273,982,978
Research	7,309,510	208,760	60,991,727	14,142,853	203,419,276
Public Service	91,905	30,932	5,764,825	216,280	21,679,712
Academic Support	164,784	836,587	24,372,637	10,365,469	108,306,357
Student Services	1,231,244	51,208	9,446,564	1,592,031	52,633,788
Institutional Support	121,110	66,147	12,249,307	1,609,363	45,129,280
Plant Operations and Maintenance	—	16,379,147	12,996,536	19,182,244	82,243,420
Scholarships and Fellowships	118,261,108	—	50,632	—	118,417,962
Auxiliary Enterprises	3,481,961	2,475,061	46,013,105	7,318,473	90,221,575
Total Operating Expenses	<u>\$ 134,399,555</u>	<u>\$ 20,063,913</u>	<u>\$ 177,838,154</u>	<u>\$ 64,479,360</u>	<u>\$ 996,034,348</u>

Note 19 Subsequent Event

No know subsequent events required disclosure as of the date of this report.

Note 20 Component Units

Georgia State University Athletic Association, Inc.

The Georgia State University Athletic Association, Inc. (GSUAA) administers Georgia State University's intercollegiate athletics program, including fund-raising to support scholarships. During the year ended June 30, 2022, the GSUAA distributed \$18,317,285 to Georgia State University for athletic scholarship support and other payments that were either expense reimbursements or support for Georgia State University's intercollegiate athletics program.

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

Georgia State University Foundation, Inc.

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

The GSUF acts primarily as a fund-raising organization to supplement the resources that are available to the Georgia State University in support of its programs. During the year ended June 30, 2022, the GSUF distributed approximately \$15,631,282 to Georgia State University in support of capital outlay projects, scholarships and other supporting activities.

Georgia State University Research Foundation Inc. and Affiliates

The Georgia State University Research Foundation (GSURF) is a legally separate, tax-exempt component unit of Georgia State University (University) and was established to contribute to the scientific, literary, educational, and charitable functions of the University in securing gifts, contributions, and grants from individuals, private organizations, and public agencies, and in obtaining contracts with such individuals or entities for the performance of sponsored research, development, or other programs by the various colleges, schools, departments or other units of the University. Most of the research grants awarded to the Research Foundation are subcontracted to the University, which is responsible for the fiscal administration of the grants. During the year ended June 30, 2022, GSURF distributed approximately \$106,969,777 to Georgia State University for project costs. The ten member board of the Research Foundation is self-perpetuating and consists of faculty and administrators of the University. Because the resources held by the Research Foundation can only be used by or for the benefit of the University, the Research Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The Research Foundation is considered a special-purpose government entity engaged only in business-type activities and is required to follow all applicable GASB pronouncements. The Research Foundation's fiscal year is July 1 through June 30.

During fiscal year 2022, the University paid \$69.72 million to extinguish \$65.44 million in notes and loans payable related to the Petit Science Center through defeasance. GSURF recognized a net gain of \$1,693,165 on the defeasance which is reported as a special item on the Statement of Revenues, Expenses, and Changes in Net Position.

Elimination and Consolidation Adjustments

The Georgia State University Athletic Association (GSUAA) holds an interest in the net assets of the Georgia State University Foundation (GSUF) related to GSUAA's fund raising efforts. An entry in the amount of \$7,177,239 to eliminate that interest was posted. Entries in the amounts of \$8,464,803 and \$4,950,215 respectively, were posted to eliminate the duplication revenue and expense transactions posted by GSUF related to GSUAA activity.

Combined component unit's investments are comprised of the following amounts at June 30, 2022:

	<u>Fair Value</u>
Investment type	
Debt Securities	
U.S. Treasuries	\$ 13,484,332
Bond Securities	73,277,876
Other Investments	
Equity Securities - Domestic	23,942,349
Equity Securities - International	119,299,213
Real Estate Held for Investment Purposes	31,600,000
Real Estate Investment Trusts	5,275,245
Other	<u>37,574,921</u>
	304,453,936
Investment Pools	
Short-Term Fund ¹	4,071,908
Balanced Income Fund ²	<u>4,436,856</u>
Total Investments	<u>\$ 312,962,700</u>

(1) \$895,819 reported as Cash and Cash Equivalents on the Statement of Net Position

(2) \$75,428 reported as Cash and Cash Equivalents on the Statement of Net Position

Combined component unit's endowments are comprised of the following amounts at June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning	\$ 15,845,335	\$ 221,237,870	\$ 237,083,205
Contributions	—	15,040,661	15,040,661
Net realized and unrealized losses	(761,833)	(22,553,046)	(23,314,879)
Appropriation of endowment assets for expenditure	—	(7,299,492)	(7,299,492)
Transfers to comply with donor intent	(5,433,054)	(305,471)	(5,738,525)
Ending	<u>\$ 9,650,448</u>	<u>\$ 206,120,522</u>	<u>\$ 215,770,970</u>

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

		Principal	Interest	Total
Year Ending June 30:	Year:			
2023	1	\$ 3,684,809	\$ 5,778,514	\$ 9,463,323
2024	2	4,098,778	5,532,747	9,631,525
2025	3	4,372,158	5,269,532	9,641,690
2026	4	4,669,374	4,988,315	9,657,689
2027	5	4,985,241	4,687,603	9,672,844
2028 through 2032	6-10	30,488,373	18,146,120	48,634,493
2033 through 2037	11-15	36,403,305	6,923,453	43,326,758
2038 through 2042	16-20	3,926,383	161,417	4,087,800
Total Minimum Lease Payments to be Received		<u>\$ 92,628,421</u>	<u>\$ 51,487,701</u>	144,116,122
Less: Unearned Income				(51,487,701)
Net Investment in Financing Lease Arrangements Receivable				<u>\$ 92,628,421</u>

Combined component unit's capital assets are comprised of the following amounts at June 30, 2022:

Capital Assets not being Depreciated:	
Land	\$ 9,568,272
Construction Work-in-Progress	—
Total Capital Assets not being Depreciated	<u>9,568,272</u>
Capital Assets being Depreciated:	
Building and Building Improvements	14,711,484
Facilities and Other Improvements	6,455,240
Equipment	<u>3,481,740</u>
Total Capital Assets being Depreciated/Amortized	24,648,464
Less Total Accumulated Depreciation/Amortization	<u>15,621,743</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>9,026,721</u>
Capital Assets, Net	<u>\$ 18,594,993</u>

Combined component unit's intangible right-to-use assets are comprised of the following amounts at June 30, 2022:

Intangible Right-to-use Assets	
Land	\$ 1,551,981
Building and Building Improvements	<u>15,000,852</u>
Total Leased Assets Being Amortized	16,552,833
Less Accumulated Amortization	<u>10,017,595</u>
Intangible Right-to-use Assets, Net	<u>\$ 6,535,238</u>

Combined component unit's long-term liabilities are comprised of the following amounts at June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Compensated Absences	\$ 439,780	\$ —	\$ 46,531	\$ 393,249	\$ 212,118
Lease Obligations	22,156	8,585,097	10,883	8,596,370	4,617,959
Liabilities under Split Interest Agreement	1,310,233	—	247,874	1,062,359	—
Notes and Loans Payable	—	32,120,000	—	32,120,000	32,120,000
Revenue/Mortgage Bonds Payable	177,745,000	—	85,350,000	92,395,000	4,145,000
Bond - Premium	16,094,267	—	9,565,911	6,528,356	—
Bond - (Discount)	(1,190,454)	—	(296,823)	(893,631)	—
Total Long-Term Liabilities	<u>\$ 194,420,982</u>	<u>\$ 40,705,097</u>	<u>\$ 94,924,376</u>	<u>\$ 140,201,703</u>	<u>\$ 41,095,077</u>

Combined component unit's lease obligations are comprised of the following amounts at June 30, 2022:

		Principal	Interest	Total
Year ending June 30:	Year:			
2023	1	4,617,959	266,746	\$ 4,884,705
2024	2	2,173,034	100,448	\$ 2,273,482
2025	3	245,646	70,929	\$ 316,575
2026	4	236,908	58,800	\$ 295,708
2027	5	42,572	52,200	\$ 94,772
2028 through 2032	6-10	1,280,251	567,805	\$ 1,848,056
2033 through 2037	11-15	—	—	\$ —
Total minimum lease payments		<u>8,596,370</u>	<u>1,116,928</u>	<u>9,713,298</u>

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:	Year:			
2023	1	32,120,000	—	\$ 32,120,000

Combined component unit's bonds payable are comprised of the following amounts at June 30, 2022:

		Principal	Interest	Total
Year ending June 30:	Year:			
2023	1	\$ 4,145,000	\$ 4,192,819	\$ 8,337,819
2024	2	4,345,000	3,982,944	8,327,944
2025	3	4,570,000	3,762,444	8,332,444
2026	4	4,790,000	3,530,944	8,320,944
2027	5	5,030,000	3,288,069	8,318,069
2028 through 2032	6-10	29,190,000	12,350,094	41,540,094
2033 through 2037	11-15	36,580,000	5,019,697	41,599,697
2038 through 2042	16-20	3,745,000	174,800	3,919,800
		<u>92,395,000</u>	<u>36,301,811</u>	<u>128,696,811</u>
Bond Premium		6,528,356	—	6,528,356
Bond (Discount)		(893,631)	—	(893,631)
Total		<u>\$ 98,029,725</u>	<u>\$ 36,301,811</u>	<u>\$ 134,331,536</u>

Required Supplemental Information



**GEORGIA STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
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	\$ 368,097	\$ 368,097	\$ —	\$ 1,494,507	24.63%
	June 30, 2021	\$ 232,075	\$ 232,075	\$ —	\$ 941,101	24.66%
	June 30, 2020	\$ 272,453	\$ 272,453	\$ —	\$ 1,104,838	24.66%
	June 30, 2019	\$ 250,014	\$ 250,014	\$ —	\$ 998,558	25.04%
	June 30, 2018	\$ 234,157	\$ 234,157	\$ —	\$ 931,300	25.14%
	June 30, 2017	\$ 251,578	\$ 251,578	\$ —	\$ 1,018,945	24.69%
	June 30, 2016	\$ 221,130	\$ 221,130	\$ —	\$ 894,538	24.72%
	June 30, 2015	\$ 133,543	\$ 133,543	\$ —	\$ 608,119	21.96%
	June 30, 2014	\$ 117,257	\$ 117,257	\$ —	\$ 634,086	18.49%
	June 30, 2013	\$ 99,182	\$ 99,182	\$ —	\$ 681,077	14.56%
Teachers Retirement System	June 30, 2022	\$ 40,932,992	\$ 40,932,992	\$ —	\$ 206,627,925	19.81%
	June 30, 2021	\$ 39,932,689	\$ 39,932,689	\$ —	\$ 209,510,436	19.06%
	June 30, 2020	\$ 45,348,975	\$ 45,348,975	\$ —	\$ 214,517,385	21.14%
	June 30, 2019	\$ 42,276,362	\$ 42,276,362	\$ —	\$ 202,279,243	20.90%
	June 30, 2018	\$ 33,099,169	\$ 33,099,169	\$ —	\$ 196,901,658	16.81%
	June 30, 2017	\$ 26,762,188	\$ 26,762,188	\$ —	\$ 187,541,613	14.27%
	June 30, 2016	\$ 25,340,624	\$ 25,340,624	\$ —	\$ 177,579,706	14.27%
	June 30, 2015	\$ 22,546,428	\$ 22,546,428	\$ —	\$ 171,455,725	13.15%
	June 30, 2014	\$ 20,332,145	\$ 20,332,145	\$ —	\$ 163,379,560	12.44%
	June 30, 2013	\$ 18,613,705	\$ 18,613,705	\$ —	\$ 163,141,030	11.41%

**GEORGIA STATE UNIVERSITY
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 System	June 30, 2022	0.039423%	\$ 922,066	\$ 941,101	97.98%	87.62%
	June 30, 2021	0.043728%	\$ 1,843,116	\$ 1,104,838	166.82%	76.21%
	June 30, 2020	0.040026%	\$ 1,651,685	\$ 998,558	165.41%	76.74%
	June 30, 2019	0.036885%	\$ 1,516,355	\$ 931,300	162.82%	76.68%
	June 30, 2018	0.040168%	\$ 1,631,357	\$ 1,018,945	160.10%	76.33%
	June 30, 2017	0.040000%	\$ 1,842,830	\$ 894,538	206.01%	72.34%
	June 30, 2016	0.030000%	\$ 1,087,922	\$ 608,119	178.90%	76.20%
	June 30, 2015	0.030000%	\$ 1,050,436	\$ 634,086	165.66%	77.99%
Teachers Retirement System	June 30, 2022	1.610535%	\$ 142,441,078	\$ 209,510,436	67.99%	92.03%
	June 30, 2021	1.659957%	\$ 402,106,556	\$ 214,517,385	187.45%	77.01%
	June 30, 2020	1.658865%	\$ 356,700,831	\$ 202,279,243	176.34%	78.56%
	June 30, 2019	1.652032%	\$ 306,652,526	\$ 196,901,658	155.74%	80.27%
	June 30, 2018	1.632453%	\$ 303,396,418	\$ 187,541,613	161.78%	79.33%
	June 30, 2017	1.622000%	\$ 334,683,518	\$ 177,579,706	188.47%	76.06%
	June 30, 2016	1.630000%	\$ 248,239,461	\$ 171,455,725	144.78%	81.44%
	June 30, 2015	1.610000%	\$ 203,148,832	\$ 163,379,560	124.34%	84.03%

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

**GEORGIA STATE UNIVERSITY
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 STATE UNIVERSITY
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	\$ 14,809,932	\$ 14,809,932	\$ —	\$ 417,643,105	3.55%
June 30, 2021	\$ 12,023,773	\$ 12,023,773	\$ —	\$ 403,629,802	2.98%
June 30, 2020	\$ 10,575,510	\$ 10,575,510	\$ —	\$ 411,234,909	2.57%
June 30, 2019	\$ 16,371,356	\$ 16,371,356	\$ —	\$ 391,254,629	4.18%
June 30, 2018	\$ 16,198,447	\$ 16,198,447	\$ —	\$ 381,228,465	4.25%
June 30, 2017	\$ 10,216,788	\$ 10,216,788	\$ —	\$ 355,368,885	2.87%

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

**GEORGIA STATE UNIVERSITY
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	10.243395%	\$ 515,558,328	\$ 403,629,802	127.73%	3.74%
June 30, 2021	10.288262%	\$ 548,747,012	\$ 411,234,909	133.44%	2.91%
June 30, 2020	10.207663%	\$ 456,442,592	\$ 391,254,629	116.66%	3.13%
June 30, 2019	10.225005%	\$ 450,999,520	\$ 381,228,465	118.30%	1.69%
June 30, 2018	10.259477%	\$ 432,921,805	\$ 355,368,885	121.82%	0.19%

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

**GEORGIA STATE UNIVERSITY
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 STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2022
(UNAUDITED)

ASSETS

Cash and Cash Equivalents	\$	203,438,032.24
Accounts Receivable		
Federal Financial Assistance		39,730,087.86
Other		35,816,284.22
Prepaid Expenditures		1,238,869.49
Inventories		202,450.22
		<hr/>
Total Assets	\$	280,425,724.03
		<hr/>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	\$	1,026,735.81
Encumbrance Payable		85,228,530.78
Accounts Payable		20,501,643.36
Unearned Revenue		74,508,148.46
Other Liabilities		822,254.36
		<hr/>
Total Liabilities		182,087,312.77
		<hr/>

Fund Balances

Reserved		
Capital Outlay		3,309,000.00
Department Sales and Services		19,573,288.09
Indirect Cost Recoveries		48,069,854.96
Technology Fees		4,487,095.47
Restricted/Sponsored Funds		2,626,984.20
Uncollectible Accounts Receivable		10,746,080.13
Inventories		160,088.75
Tuition Carry - Forward		8,891,793.78
Unreserved		
Surplus		474,225.88
		<hr/>
Total Fund Balances		98,338,411.26
		<hr/>
Total Liabilities and Fund Balances	\$	280,425,724.03
		<hr/>

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 STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
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
Teaching				
State Appropriation				
State General Funds	\$ 273,809,593.00	\$ 310,151,532.00	\$ 310,151,532.00	\$ —
Federal Funds				
Federal Funds Not Specifically Identified	—	243,156,963.00	189,507,825.63	—
Federal Funds - COVID19				
Federal Funds Not Specifically Identified	—	188,720,770.00	94,419,089.38	—
Other Funds	767,450,005.00	761,046,642.00	500,112,176.68	140,629,877.52
Total Teaching	1,041,259,598.00	1,503,075,907.00	1,094,190,623.69	140,629,877.52
 Total Operating Activity	 \$ 1,041,259,598.00	 \$ 1,503,075,907.00	 \$ 1,094,190,623.69	 \$ 140,629,877.52

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 STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Teaching						
State Appropriation						
State General Funds	\$ —	\$ 310,151,532.00	0.00	\$ 310,151,532.00	0.00	\$ —
Federal Funds						
Federal Funds Not Specifically Identified	—	189,507,825.63	(53,649,137.37)	189,507,825.63	53,649,137.37	—
Federal Funds - COVID19						
Federal Funds Not Specifically Identified	—	94,419,089.38	(94,301,680.62)	94,419,089.38	94,301,680.62	—
Other Funds	—	640,742,054.20	(120,304,587.80)	553,859,728.47	207,186,913.53	86,882,325.73
Total Teaching	—	1,234,820,501.21	(268,255,405.79)	1,147,938,175.48	355,137,731.52	86,882,325.73
Total Operating Activity	\$ —	\$ 1,234,820,501.21	\$ (268,255,405.79)	\$ 1,147,938,175.48	\$ 355,137,731.52	\$ 86,882,325.73

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 STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
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
Teaching					
State Appropriation					
State General Funds	\$ 249,008.97	0	\$ (249,008.97)	\$ 180,535.40	\$ —
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Federal Funds - COVID19					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	140,756,482.59	(140,629,877.52)	(126,605.07)	(1,950,190.62)	2,319,571.87
Total Teaching	141,005,491.56	(140,629,877.52)	(375,614.04)	(1,769,655.22)	2,319,571.87
Prior Year Reserves					
Inventories	117,863.97	—	—	—	42,224.78
Uncollectible Accounts Receivable	13,107,876.78	—	—	—	(2,361,796.65)
Budget Unit Totals	<u>\$ 154,231,232.31</u>	<u>\$ (140,629,877.52)</u>	<u>\$ (375,614.04)</u>	<u>\$ (1,769,655.22)</u>	<u>\$ —</u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

GEORGIA STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
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
Teaching						
State Appropriation						
State General Funds	\$ —	\$ —	\$ 180,535.40	\$ —	\$ 180,535.40	\$ 180,535.40
Federal Funds						
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Federal Funds - COVID19						
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	86,882,325.73	87,251,706.98	86,958,016.50	293,690.48	87,251,706.98
Total Teaching	—	86,882,325.73	87,432,242.38	86,958,016.5	474,225.88	87,432,242.38
Prior Year Reserves						
Inventories	—	—	160,088.75	160,088.75	—	160,088.75
Uncollectible Accounts Receivable	—	—	10,746,080.13	10,746,080.13	—	10,746,080.13
Budget Unit Totals	<u>\$ —</u>	<u>\$ 86,882,325.73</u>	<u>\$ 98,338,411.26</u>	<u>\$ 97,864,185.38</u>	<u>\$ 474,225.88</u>	<u>\$ 98,338,411.26</u>
				Capital Outlay	\$ 3,309,000.00	\$ 3,309,000.00
				Departmental Sales and Services	19,573,288.09	19,573,288.09
				Indirect Cost Recovery	48,069,854.96	48,069,854.96
				Technology Fees	4,487,095.47	4,487,095.47
				Restricted/Sponsored Funds	2,626,984.20	2,626,984.20
				Tuition Carry-Forward	8,891,793.78	8,891,793.78
				Uncollectible Accounts Receivable	10,746,080.13	10,746,080.13
				Inventories	160,088.75	160,088.75
				Surplus	—	474,225.88
					<u>\$ 97,864,185.38</u>	<u>\$ 98,338,411.26</u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.



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