



MARVIN PITTMAN  
ADMINISTRATION  
BUILDING

# Review Report

*for* Fiscal Year Ended June 30, 2024



**GEORGIA SOUTHERN UNIVERSITY**  
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*Financial Section*



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Regents of the  
University System of Georgia  
and  
Dr. Kyle Marrero, President  
Georgia Southern University

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of Georgia Southern University, as of and for the year ended June 30, 2024, and the related notes (financial statements), as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

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

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Georgia Southern University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

### ***Other Matters***

The accompanying supplementary information listed in the table of contents is presented for additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited, reviewed, or compiled the supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it. We did, however, perform certain procedures on the supplementary information.

This review report contains information pertinent to Georgia Southern University's compliance with the requirements of the Southern Association of Colleges and Schools Commission on Colleges (COC) Standard 13.2 (Financial resources) as of and for the year ended June 30, 2024. Additionally, we performed procedures on Georgia Southern University's Federal Student Aid programs for the year ended June 30, 2024, to meet the requirements of COC Standard 13.6. Included in a separate Report on Review and Federal Compliance Procedures is a section on findings and other items for any matters that came to our attention during our engagement, including results of our testing of the Federal Student Aid programs.

Additionally, we have performed certain procedures at Georgia Southern University to support our audit of the basic financial statements of the State of Georgia presented in the State of Georgia Annual Comprehensive Financial Report and the issuance of a State of Georgia Single Audit Report pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2024.

This report is intended solely for the information and use of the management of Georgia Southern University, members of the Board of Regents of the University System of Georgia and the Southern Association of Colleges and Schools – Commission on Colleges and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,



Greg S. Griffin  
State Auditor

September 3, 2024

# GEORGIA SOUTHERN UNIVERSITY MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024

## Introduction

Georgia Southern University (University) is a Carnegie Doctoral/R2 University in the University System of Georgia (USG) with deep roots in coastal southeastern Georgia. Founded in 1906 as the First District Agricultural School and located in Statesboro, GA, Georgia Southern soon switched its focus to teacher training to meet educational needs in the region. As the University grew and expanded its offerings, it transitioned to a four-year University in 1959 and achieved university status in 1990. In 2018, Georgia Southern merged with Armstrong State University in Savannah. Statesboro continues to serve as the University's main campus, while having multiple instructional sites in southeastern Georgia such as the Armstrong Savannah Campus, Fort Stewart Education Center, Hunter Army Airfield Education Center, and the Liberty Center. The University has one international site in Wexford, Ireland. Each location is home to distinct student populations with a common mission focused on excellence in teaching and learning exemplified by a free exchange of ideas, high academic expectations, and individual responsibility for academic achievement. Georgia Southern University's nationally accredited academic programs prepare diverse scholars for leadership and service as world citizens. Georgia Southern University is one of 26 institutions of higher education of the University System of Georgia. The University boasts over 300 student organizations, outstanding Division I athletics, and state-of-the-art residence halls and campus facilities. Serving about 26,000 students in approximately 150-degree programs, Georgia Southern embraces core values of collaboration, academic excellence, discovery and innovation, integrity, openness and inclusion, and sustainability.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2024	26,106	23,449
FY 2023	25,506	23,018
FY 2022	27,091	24,491

## Overview of the Financial Statements and Financial Analysis

Georgia Southern University is pleased to present its financial statements for fiscal year 2024. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. 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 2024 and fiscal year 2023.

## Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2024 and includes all assets, deferred outflows of resources, liabilities, 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 assets, deferred outflows of resources, liabilities, and 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.

Statement of Net Position for the Years Ended June 30, 2024 and June 30, 2023, condensed

<b>CONDENSED STATEMENT OF NET POSITION</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
<b>ASSETS</b>				
Current Assets	\$ 137,181,025	\$ 125,672,816	\$ 11,508,209	9.16 %
Capital Assets, Net	692,350,216	702,246,293	(9,896,077)	(1.41)%
Intangible Right-to-Use Assets, Net	1,719,395	1,801,326	(81,931)	(4.55)%
Other Assets	20,557,441	18,430,721	2,126,720	11.54 %
<b>TOTAL ASSETS</b>	<b>851,808,077</b>	<b>848,151,156</b>	<b>3,656,921</b>	<b>0.43 %</b>
<b>DEFERRED OUTFLOWS</b>	<b>98,030,631</b>	<b>148,986,272</b>	<b>(50,955,641)</b>	<b>(34.20)%</b>
<b>LIABILITIES</b>				
Current Liabilities	44,141,038	44,957,596	(816,558)	(1.82)%
Non-Current Liabilities	578,924,720	666,007,402	(87,082,682)	(13.08)%
<b>TOTAL LIABILITIES</b>	<b>623,065,758</b>	<b>710,964,998</b>	<b>(87,899,240)</b>	<b>(12.36)%</b>
<b>DEFERRED INFLOWS</b>	<b>126,945,503</b>	<b>112,214,709</b>	<b>14,730,794</b>	<b>13.13 %</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	492,130,414	488,453,505	3,676,909	0.75 %
Restricted, Non-Expendable	6,853,169	6,753,332	99,837	1.48 %
Restricted, Expendable	4,595,102	4,195,154	399,948	9.53 %
Unrestricted (Deficit)	(303,751,238)	(325,444,270)	21,693,032	6.67 %
<b>TOTAL NET POSITION</b>	<b>\$ 199,827,447</b>	<b>\$ 173,957,721</b>	<b>\$ 25,869,726</b>	<b>14.87 %</b>

Total assets and deferred outflows of resources for the University decreased by \$47,298,720 which was primarily due to adjustments in deferred outflows related to defined pension and post-employment benefits partially offset by increases in Total Assets. Total deferred outflows of resources decreased by \$50,955,641 which was mainly due to the University's proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia along with the change in the actuarially determined deferred loss on the Institution's OPEB Plan. Within Total Assets, Current Assets increased by \$11,508,209 due mainly to increases in receivables from the Department of Public Health grant activity, MRR GSFIC receivables, and \$3.2 million prepaid funding for the Convocation Center project. The Total Assets increase was decreased by Capital Assets due to the normal depreciation expense netted with around \$17.4 million of various capital additions.

The sum of total liabilities and deferred inflows of resources for the University decreased for the year by \$73,168,446. This decrease is primarily due to a decrease in pension liability and Other Post-Employment Benefit Liability of \$73,715,460 due to the changes in the actuarially determined liabilities for these plans. The remaining decrease in Non-Current Liabilities is due to the normal payments related to our Public-Private ventures' debt. The Total Deferred Inflows increased by \$14,730,794 which was mainly due to the University's actuarially determined deferred gain on the Institution's OPEB Plan partially offset by the proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

The combination of the decrease in total assets and deferred outflows of resources and the larger decrease in total liabilities and deferred inflows of resources yielded an increase for the University in net position of \$25,869,726. The increase in net position is primarily in the category of Unrestricted, in the amount of \$21,693,032.

Georgia Southern University has \$196,712,368 of long-term liabilities excluding Compensating Absences, Pension Liability, and OPEB liabilities, of which \$13,760,269 is reflected in current liabilities. For additional information concerning long-term liabilities, see Notes 8 and 13 in the Notes to the Financial Statements.

## 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.

The Statement of Revenues, Expenses and Changes in Net Position reflect a positive year, which is represented by an increase in net position at the end of the year. Some highlights of the information presented on this statement are as follows:

Statement of Revenue, Expenses, and Changes in Net position for the Years Ended June 30, 2024 and June 30, 2023, condensed

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Operating Revenue	\$ 329,838,350	\$ 246,330,315	\$ 83,508,035	33.90 %
Operating Expense	544,353,640	470,292,374	74,061,266	15.75 %
Operating Income/Loss	(214,515,290)	(223,962,059)	9,446,769	4.22 %
Non-Operating Revenue and Expense	233,834,085	222,287,021	11,547,064	5.19 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	19,318,795	(1,675,038)	20,993,833	(1,253.33)%
Other Revenues, Expenses, Gains, Losses, and Special Item	6,550,931	10,395,727	(3,844,796)	(36.98)%
Change in Net Position	25,869,726	8,720,689	17,149,037	196.65 %
Net Position at Beginning of Year	173,957,721	165,237,032	8,720,689	5.28 %
Net Position at End of Year	\$ 199,827,447	\$ 173,957,721	\$ 25,869,726	14.87 %



## Revenues

REVENUES BY SOURCE	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 115,900,068	\$ 116,509,881	\$ (609,813)	(0.52)%
Grants and Contracts	108,505,953	32,441,252	76,064,701	234.47 %
Sales and Services	6,554,547	5,079,692	1,474,855	29.03 %
Auxiliary Enterprises	94,626,190	88,081,715	6,544,475	7.43 %
Other Operating Revenues	4,251,592	4,217,775	33,817	0.80 %
<b>Total Operating Revenues</b>	<b>329,838,350</b>	<b>246,330,315</b>	<b>83,508,035</b>	<b>33.90 %</b>
State Appropriations	170,924,393	160,221,268	10,703,125	6.68 %
Grants and Contracts	51,229,687	51,959,239	(729,552)	(1.40)%
Gifts	13,962,937	14,827,633	(864,696)	(5.83)%
Investment Income	5,687,301	3,673,509	2,013,792	54.82 %
Other Nonoperating Revenues	(114,855)	(44,295)	(70,560)	(159.30)%
<b>Total Nonoperating Revenues</b>	<b>241,689,463</b>	<b>230,637,354</b>	<b>11,052,109</b>	<b>4.79 %</b>
State Capital Gifts and Grants	3,277,263	6,227,334	(2,950,071)	(47.37)%
Other Capital Gifts and Grants	3,286,250	645,410	2,640,840	409.17 %
<b>Total Capital Gifts and Grants</b>	<b>6,563,513</b>	<b>6,872,744</b>	<b>(309,231)</b>	<b>(4.50)%</b>
Special Items	(12,582)	3,522,983	(3,535,565)	(100.36)%
<b>Total Revenues</b>	<b>\$ 578,078,744</b>	<b>\$ 487,363,396</b>	<b>\$ 90,715,348</b>	<b>18.61 %</b>

Operating revenue for the University increased by \$83,508,035 mainly due to Grants and Contracts. The most significant grants were from the Department of Public Health. Auxiliary revenue increased over \$6.5 million due to increases in dining and housing utilization and rates. Nonoperating revenue increased due mainly to increases in State Appropriation allocation.

## Expenses

For the years ended June 30, 2024 and June 30, 2023, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Instruction	\$ 121,058,828	\$ 119,942,842	\$ 1,115,986	0.93 %
Research	42,207,339	37,209,650	4,997,689	13.43 %
Public Service	76,072,776	14,490,854	61,581,922	424.97 %
Academic Support	49,667,215	50,933,627	(1,266,412)	(2.49)%
Student Services	39,510,266	38,838,508	671,758	1.73 %
Institutional Support	42,147,597	47,795,339	(5,647,742)	(11.82)%
Plant Operations and Maintenance	58,409,880	55,323,464	3,086,416	5.58 %
Scholarships and Fellowships	22,066,205	19,950,639	2,115,566	10.60 %
Auxiliary Enterprises	93,213,534	85,807,451	7,406,083	8.63 %
<b>Total Operating Expenses</b>	<b>544,353,640</b>	<b>470,292,374</b>	<b>74,061,266</b>	<b>15.75 %</b>
Interest Expense	7,855,378	8,350,333	(494,955)	(5.93)%
<b>Total Nonoperating Expenses</b>	<b>7,855,378</b>	<b>8,350,333</b>	<b>(494,955)</b>	<b>(5.93)%</b>
<b>Total Expenses</b>	<b>\$ 552,209,018</b>	<b>\$ 478,642,707</b>	<b>\$ 73,566,311</b>	<b>15.37 %</b>

The Operating Expenses increased by \$74,061,266 which is primarily related to the Public Service grant expenditures in connection with the Department of Public Health grants. The remaining increases can be attributed to general inflation and COLA funding.

## Statement of Cash Flows

The final statement presented by the University is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the year. Cash flow information can be used to evaluate the financial viability of the University's ability to meet financial obligations as they mature. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2024 and June 30, 2023, condensed

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2024	June 30, 2023
Cash Provided (Used) by:		
Operating Activities	\$ (198,345,248)	\$ (183,758,649)
Non-Capital Financing Activities	232,889,166	220,783,323
Capital and Related Financing Activities	(36,169,598)	(37,240,466)
Investing Activities	3,559,794	2,364,954
Net Change in Cash	1,934,114	2,149,162
Cash and Cash Equivalents, Beginning of Year	76,739,843	74,590,681
Cash and Cash Equivalents, End of Year	\$ 78,673,957	\$ 76,739,843

The net of all cash activities was a modest increase in the University's cash position. There were a wide range of changes attributed to increases in revenue and expenses due to the Department of Public Health grants, increases in revenue from State Appropriations, and increases in employee cost due to COLA and one-time salary payment to employees (\$1,000 per employee).

## Capital Assets & Intangible Right-to-Use Assets

The University has capital assets of \$692,350,216 and Intangible Right-to-Use asset of \$1,719,395 at the end of fiscal year 2024. During the year, about \$15.5 million of assets were placed into service with an increase in construction work-in-progress of about \$2.1 million. Most of the increases in assets were of relatively modest value with the largest addition being the Paulson Parking Lot project of about \$2.5 million. The increases in Intangible assets were mainly lease equipment such as copiers. For additional information concerning Capital Assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change
Land	\$ 38,273,264	38,273,264	\$ —	— %
Capitalized Collections	1,697,946	1,691,449	6,497	0.38 %
Construction Work-in-Progress	4,972,748	2,865,525	2,107,223	73.54 %
Infrastructure	17,526,516	15,337,043	2,189,473	14.28 %
Building and Building Improvements	588,962,729	603,280,064	(14,317,335)	(2.37)%
Facilities and Other Improvements	22,723,652	22,603,490	120,162	0.53 %
Equipment	16,297,181	15,462,877	834,304	5.40 %
Library Collections	1,896,180	2,732,581	(836,401)	(30.61)%
Capital Assets, net of accumulated depreciation and amortization	\$ 692,350,216	\$ 702,246,293	\$ (9,896,077)	(1.41)%

<b>INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization</b>	<b>June 30, 2024</b>	<b>July 1, 2023</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Intangibles in Progress	\$ 332,215	\$ 259,628	\$ 72,587	27.96 %
Building and Building Improvements	3,152	40,972	(37,820)	(92.31)%
Equipment	1,169,869	1,125,251	44,618	3.97 %
Subscription Based IT Arrangements (SBITAs)	214,159	375,475	(161,316)	(42.96)%
<b>Intangible Right-to-Use Assets, net of accumulated amortization</b>	<b>\$ 1,719,395</b>	<b>\$ 1,801,326</b>	<b>\$ (81,931)</b>	<b>(4.55)%</b>

## **Economic Outlook**

Georgia Southern 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 for this fiscal year. The University continues to be financially stable. The current economic development in the surrounding area has had a positive impact on the enrollment and interest in the University. Georgia Southern University anticipates the current fiscal year will be much like last and will maintain a close watch over resources to maintain the University's ability to react to unknown internal and external issues.

A photograph of a brick building at dusk. The building has a red brick upper section and a light-colored stone base. Several windows are visible, some with white frames. In the foreground, there is a large blue eagle sculpture with its wings spread, perched on a silver base. The sculpture is illuminated by warm light, possibly from the setting sun. The sky is dark blue.

*Financial  
Statements*

**GEORGIA SOUTHERN UNIVERSITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

Georgia Southern University

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$	75,943,809
Cash and Cash Equivalents (Externally Restricted)		2,730,148
Accounts Receivable, net		
Federal Financial Assistance		7,191,753
Affiliated Organizations		17,141,036
Component Units		1,589,615
Other		7,457,907
Inventories		2,723,945
Prepaid Items		22,402,812
<b>Total Current Assets</b>		<b>137,181,025</b>

**Non-Current Assets**

Accounts Receivable, net		
Due From USO - Capital Liability Reserve Fund		1,939,190
Investments		14,458,329
Notes Receivable, net		12,228
Investments (Externally Restricted)		4,147,694
Capital Assets, net		692,350,216
Intangible Right-to-Use Assets, net		1,719,395
<b>Total Non-Current Assets</b>		<b>714,627,052</b>

**TOTAL ASSETS**

**851,808,077**

**DEFERRED OUTFLOWS OF RESOURCES**

**\$ 98,030,631**

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

**GEORGIA SOUTHERN UNIVERSITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

Georgia Southern University

**LIABILITIES**

**Current Liabilities**

Accounts Payable	\$	9,304,937
Salaries Payable		901,048
Benefits Payable		805,237
Contracts Payable		561,409
Retainage Payable		474,072
Due to Affiliated Organizations		91,245
Due to Component Units		55
Advances (Including Tuition and Fees)		10,395,798
Deposits		908,236
Deposits Held for Other Organizations		152,534
Other Liabilities		10,508
Subscription Obligations		213,728
Notes and Loans Payable		12,922,266
Lease Obligations		624,275
Compensated Absences		6,775,690
<b>Total Current Liabilities</b>		<u><u>44,141,038</u></u>

**Non-Current Liabilities**

Notes and Loans Payable		182,345,330
Lease Obligations		606,769
Compensated Absences		3,094,797
Net Other Post Employment Benefits Liability		187,052,258
Net Pension Liability		205,825,566
<b>Total Non-Current Liabilities</b>		<u><u>578,924,720</u></u>

**TOTAL LIABILITIES**

623,065,758

**DEFERRED INFLOWS OF RESOURCES**

126,945,503

**NET POSITION**

Net Investment in Capital Assets		492,130,414
Restricted for:		
Nonexpendable		6,853,169
Expendable		4,595,102
Unrestricted (Deficit)		<u>(303,751,238)</u>

**TOTAL NET POSITION**

\$ 199,827,447

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

**GEORGIA SOUTHERN UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Georgia Southern University</u>
<b>OPERATING REVENUES</b>	
Student Tuition and Fees (net)	\$ 115,900,068
Grants and Contracts	
Federal	93,759,239
State	687,959
Other	14,058,755
Sales and Services	6,554,547
Rents and Royalties	697,249
Auxiliary Enterprises	
Residence Halls	33,101,231
Bookstore	10,206,213
Food Services	25,768,473
Parking/Transportation	3,989,544
Health Services	3,609,892
Intercollegiate Athletics	17,945,011
Other Organizations	5,826
Other Operating Revenues	<u>3,554,343</u>
Total Operating Revenues	<u>329,838,350</u>
<b>OPERATING EXPENSES</b>	
Faculty Salaries	103,290,352
Staff Salaries	113,226,543
Employee Benefits	67,459,924
Other Personal Services	2,154,896
Travel	3,775,269
Scholarships and Fellowships	31,014,332
Utilities	17,431,141
Supplies and Other Services	178,088,331
Depreciation and Amortization	<u>27,912,852</u>
Total Operating Expenses	<u>544,353,640</u>
Operating Loss	<u>\$ (214,515,290)</u>

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

**GEORGIA SOUTHERN UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Georgia Southern University</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State Appropriations	\$ 170,924,393
Grants and Contracts	
Federal	51,229,687
Gifts	13,962,937
Investment Income	5,687,301
Interest Expense	(7,855,378)
Other Nonoperating Revenues (Expenses)	<u>(114,855)</u>
Net Nonoperating Revenues	<u>233,834,085</u>
Income Before Other Revenues, Expenses, Gains, or Losses	<u>19,318,795</u>
Capital Grants and Gifts	
State	3,277,263
Other	3,286,250
Special Item	<u>(12,582)</u>
Total Other Revenues, Expenses, Gains or Losses	<u>6,550,931</u>
Change in Net Position	<u>25,869,726</u>
Net Position, Beginning of Year	<u>173,957,721</u>
Net Position, End of Year	<u><u>\$ 199,827,447</u></u>

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



**GEORGIA SOUTHERN UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Georgia Southern University

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 211,660,568
Grants and Contracts (Exchange)	108,705,539
Payments to Suppliers	(267,626,242)
Payments to Employees	(220,149,138)
Payments for Scholarships and Fellowships	(31,014,332)
Loans Issued to Students	(4,000)
Collection of Loans from Students	4,787
Other Receipts	77,570
Net Cash Used by Operating Activities	<u>(198,345,248)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	170,924,393
Gifts and Grants Received for Other Than Capital Purposes	62,023,783
Other Non-Capital Financing Payments	(59,010)
Net Cash Flows Provided by Non-Capital Financing Activities	<u>232,889,166</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	6,605,315
Purchases of Capital and Intangible Right-to-Use Assets	(21,255,550)
Principal Paid on Capital Debt and Leases	(13,190,689)
Interest Paid on Capital Debt and Leases	(8,328,674)
Net Cash Used by Capital and Related Financing Activities	<u>(36,169,598)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Gain	<u>3,559,794</u>
Net Increase in Cash and Cash Equivalents	1,934,114
Cash and Cash Equivalents, Beginning of Year	<u>76,739,843</u>
Cash and Cash Equivalents, End of Year	<u>\$ 78,673,957</u>

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

**GEORGIA SOUTHERN UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Georgia Southern University

RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (214,515,290)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	27,912,852
Operating Expenses Related to Noncash Gifts	3,168,841
Change in Assets and Liabilities:	
Receivables, net	(6,566,614)
Inventories	49,335
Prepaid Items	101,683
Notes Receivable, Net	787
Accounts Payable	430,087
Salaries Payable	(7,263)
Benefits Payable	48,934
Contracts Payable	(168,513)
Retainage Payable	73,278
Deposits	(311,183)
Advances (Including Tuition and Fees)	(1,184,833)
Other Liabilities	9,156
Funds Held for Others	77,570
Compensated Absences	143,488
Due to Affiliated Organizations	(51,834)
Net Pension Liability	(21,081,710)
Other Post-Employment Benefit Liability	(52,633,750)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	15,234,713
Deferred Outflows of Resources	50,925,018
	<hr/>
Net Cash Used by Operating Activities	<u>\$ (198,345,248)</u>
 NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS	
Noncapital Financing Activities Noncash Items:	
Noncapital Gifts	<u>\$ 3,168,841</u>
Capital Financing Activities Noncash Items:	
Gain (Loss) on Disposal of Capital Assets	<u>\$ (104,409)</u>
Accrual of Capital Asset Related Payables	<u>\$ 897,017</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ 584,514</u>
Early Extinguishment of Capital Debt	<u>\$ 19,006</u>
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	<u>\$ 473,297</u>
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	<u>\$ 2,127,507</u>

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

**GEORGIA SOUTHERN UNIVERSITY  
STATEMENT OF FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Receivables	
Other	\$ 7,330,820
<b>LIABILITIES</b>	
Cash Overdraft	5,643,254
Advances	451,877
Deposits held for other organizations	4,556
Total Liabilities	<u>6,099,687</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, Organizations, and Other Governments	<u>\$ 1,231,133</u>

**GEORGIA SOUTHERN UNIVERSITY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 94,139,799
State Financial Aid	56,456,575
Other Financial Aid	15,674,638
Clubs and Other Organizations Fund Raising	1,899,919
Public-Private Partnership Passthrough	<u>6,071,578</u>
Total Additions	<u>174,242,509</u>
DEDUCTIONS	
Scholarships and Other Student Support	166,273,284
Student Organizations Support	1,878,120
Public-Private Partnership Passthrough	<u>6,028,816</u>
Total Deductions	<u>174,180,220</u>
Net Increase (Decrease) in Fiduciary Net Position	62,289
Net Position, Beginning of Year	<u>1,168,844</u>
Net Position, End of Year	<u><u>\$ 1,231,133</u></u>



Notes *to the*  
Financial Statements

**GEORGIA SOUTHERN UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Note 1 Summary of Significant Accounting Policies**

**Nature of Operations**

The Georgia Southern 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. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2024, 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>.

**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:

- 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 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.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections, effective for fiscal years beginning after June 15, 2023. The objectives of this Statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoptions of this statement does not have a significant impact on the financial statements and will be applied prospectively.

### **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 the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Total Return Fund and the Board of Regents Diversified Fund are included as investments. Investments restricted as to use by a third party are reported as externally restricted. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position.

### **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 for the Bookstore are valued at cost using the first-in, first-out ("FIFO") basis. Resale inventories for Food Services and other services are valued at cost using the average-cost basis.

### **Prepaid Items**

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2024 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 USG. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

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

### **Intangible Right-To-Use Assets**

The University leases certain academic spaces, administrative offices, and equipment under lease agreements. The University has leases under which it is obligated as a lessee. 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.

The University also entered into certain subscription-based agreements to use vendor-provided information technology (IT). Subscription-based information technology arrangements (SBITAs) result in an intangible right-to-use asset and a subscription obligation on the Statement of Net Position. The University capitalizes SBITA items that are greater than \$100,000 over the subscription term and the initial term exceeds 12 months.

An intangible right-to-use asset represents the University's right to use an underlying asset for the lease or subscription term. Lease and/or subscription obligations represent the University's liability to make lease and/or subscription payments arising from the lease and/or subscription agreement. Intangible right-to-use assets, lease obligations, and subscription obligations are recognized based on the present value of lease and/or subscription 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 and/or subscription 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 and/or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease and/or subscription term or useful life of the underlying asset. Prepayments made before the commencement of the lease and/or subscription are reported as intangible right-to-use assets in progress.

### **Capital Liability Reserve Fund**

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



### **Deposits Held for Other Organizations**

Deposits held for others result primarily from escheated funds that are the result of unclaimed property.

### **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 and/or subscription obligations with contractual maturities greater than one year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

### **Deferred Inflows of Resources**

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

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

The net OPEB liability represents the 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.

### **Public-Private and Public-Public Partnerships**

A public-private or public-public partnership (PPP) is an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset.

### **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 - nonexpendable net position* includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of

Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation. Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. The 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. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

### **Income Taxes**

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

### **Classification of Revenues and Expenses**

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

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

### **Scholarship Allowances**

Scholarship allowances are the difference between the stated charge for goods and services provided by the 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 \$56,171,470.

### **Special Items**

In fiscal year 2024, Georgia Southern University received property from Augusta University consisting of equipment with a net book value of \$2,300.

In fiscal year 2024, Georgia Southern University transferred property to the University of Georgia consisting of equipment used for eye care services with a net book value of \$14,882.

## Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2024 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	\$ 75,943,809
Cash and Cash Equivalents (Externally Restricted)	2,730,148
Noncurrent	
Investments	14,458,329
Investments (Externally Restricted)	4,147,694

### Statement of Net Fiduciary Position

Cash and Cash Equivalents	(5,643,254)
	<u>\$ 91,636,726</u>

Cash on hand, deposits and investments as of June 30, 2024 consist of the following:

Cash on Hand	\$ 141,405
Deposits with Financial Institutions	20,805,040
Investments	70,690,281
	<u>\$ 91,636,726</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, 2024, the bank balances of the University's deposits totaled \$26,347,200. This balance includes deposits in Fiduciary funds as these are not separable from the holdings of the USG. Of these deposits, \$0 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 as of June 30, 2024

	Fair Value
Investment Pools	
Board of Regents	
Short-Term Fund	7,532,441
Total Return Fund	3,246,317
Diversified Fund	15,359,706
Office of the State Treasurer	
Georgia Fund 1	44,551,817
Total Investments	\$ 70,690,281

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, 2024 was \$7,532,441, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.08 years.

2. Total Return Fund

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

The equity allocation shall range between 60% and 80%, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the University's position in the Total Return Fund at June 30, 2024 was \$3,246,317 of which 31% is invested in debt securities. The Effective Duration of the Fund is 5.11 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, 2024 was \$15,359,706, of which 26% is invested in debt securities. The Effective Duration of the Fund is 5.06 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 U.S. 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 AAf rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 33-day.

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 does not have a formal policy for managing interest rate risk for investments.

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 does not have a formal policy for managing credit quality risk for investments.

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 Total Return Fund and Diversified Fund, total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.
3. 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.

### Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2024:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 1,477,152	\$ 65,163
Auxiliary Enterprises and Other Operating Activities	2,529,361	—
Federal Financial Assistance	7,191,753	2,290,036
Georgia Student Finance Commission	—	4,935,457
Georgia State Financing and Investment Commission	4,051,792	—
Due from Affiliated Organizations	17,141,036	—
Due from Component Units	1,589,615	—
Due From USO-Capital Liability Reserve Fund	1,939,190	—
Other	1,159,020	40,853
	<u>37,078,919</u>	<u>7,331,509</u>
Less: Allowance for Doubtful Accounts	<u>1,759,418</u>	<u>689</u>
Net Accounts Receivable	<u>\$ 35,319,501</u>	<u>\$ 7,330,820</u>

### Note 4 Inventories

Inventories consisted of the following at June 30, 2024:

Consumable Supplies	\$ 187,288
Merchandise for Resale	<u>2,536,657</u>
Total	<u>\$ 2,723,945</u>

### Note 5 Notes and Loans Receivable

Notes receivable consists of resources made available for financial loans to students of the University. Allowances for uncollectible loans are reported based on management's best estimate considering type, age, collection history, and other factors considered appropriate. At June 30, 2024, the allowance for uncollectible loans was \$0.

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

Changes in capital assets for the year ended June 30, 2024 are shown below:

	Balance July 1, 2023	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2024
<b>Capital Assets, Not Being Depreciated:</b>					
Land	\$ 38,273,264	\$ —	\$ —	\$ —	\$ 38,273,264
Capitalized Collections	1,691,449	—	6,497	—	1,697,946
Construction Work-in-Progress	2,865,525	—	12,348,557	10,241,334	4,972,748
<b>Total Capital Assets Not Being Depreciated</b>	<b>42,830,238</b>	<b>—</b>	<b>12,355,054</b>	<b>10,241,334</b>	<b>44,943,958</b>
<b>Capital Assets, Being Depreciated:</b>					
Infrastructure	36,220,802	—	2,826,163	—	39,046,965
Building and Building Improvements	1,018,656,068	—	5,560,982	—	1,024,217,050
Facilities and Other Improvements	36,053,268	—	1,481,656	—	37,534,924
Equipment	83,560,144	(66,410)	5,200,268	5,514,831	83,179,171
Library Collections	65,946,678	—	197,063	491,695	65,652,046
<b>Total Capital Assets Being Depreciated</b>	<b>1,240,436,960</b>	<b>(66,410)</b>	<b>15,266,132</b>	<b>6,006,526</b>	<b>1,249,630,156</b>
<b>Less: Accumulated Depreciation</b>					
Infrastructure	20,883,759	—	636,690	—	21,520,449
Building and Building Improvements	415,376,004	—	19,878,317	—	435,254,321
Facilities and Other Improvements	13,449,778	—	1,361,494	—	14,811,272
Equipment	68,097,267	(53,828)	4,270,135	5,431,584	66,881,990
Library Collections	63,214,097	—	1,033,464	491,695	63,755,866
<b>Total Accumulated Depreciation</b>	<b>581,020,905</b>	<b>(53,828)</b>	<b>27,180,100</b>	<b>5,923,279</b>	<b>602,223,898</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>659,416,055</b>	<b>(12,582)</b>	<b>(11,913,968)</b>	<b>83,247</b>	<b>647,406,258</b>
<b>Capital Assets, net</b>	<b>\$ 702,246,293</b>	<b>\$ (12,582)</b>	<b>\$ 441,086</b>	<b>\$ 10,324,581</b>	<b>\$ 692,350,216</b>

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

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. At June 30, 2024, GSFIC had construction in progress of approximately \$40,627,602 for incomplete GSFIC managed projects for the University. For the year ended June 30, 2024, GSFIC transferred no capital additions from GSFIC managed projects to the University.

## Intangible Right-to-Use Assets

Changes in intangible assets for the year ended June 30, 2024 are shown below:

	Beginning Balances July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
Intangible Right-to-use Assets, Not Being Amortized:				
Intangibles in Progress	\$ 259,628	\$ 72,587	\$ —	\$ 332,215
Intangible Right-to-use Assets, Being Amortized:				
Building and Building Improvements	\$ 113,462	\$ —	\$ —	\$ 113,462
Equipment	1,972,097	584,514	367,957	2,188,654
Subscription Based IT Arrangements (SBITAs)	428,319	—	—	428,319
Total Leased Assets Being Amortized	2,513,878	584,514	367,957	2,730,435
Less: Accumulated amortization				
Building and Building Improvements	72,490	37,820	—	110,310
Equipment	846,846	533,616	361,677	1,018,785
Subscription Based IT Arrangements (SBITAs)	52,844	161,316	—	214,160
Total Accumulated Amortization	972,180	732,752	361,677	1,343,255
Total Intangible Right-to-use Assets, Being Amortized, Net	1,541,698	(148,238)	6,280	1,387,180
Intangible Right-to-use Assets, net	<u>\$ 1,801,326</u>	<u>\$ (75,651)</u>	<u>\$ 6,280</u>	<u>\$ 1,719,395</u>

A comparison of depreciation and amortization expense for the last three fiscal years is as follows:

Fiscal Year	Depreciation & Amortization Expense
2024	27,912,852
2023	27,075,515
2022	26,708,135

## Note 7 Advances (Including Tuition and Fees)

Business-type Activity advances, including tuition and fees, consisted of the following at June 30, 2024:

	Current Liabilities
Prepaid Tuition and Fees	\$ 8,525,365
Other - Advances	1,870,433
Totals	<u>\$ 10,395,798</u>

Other - Advances include \$1,542,900 of football tickets and parking permit sales received in fiscal year 2024 but are applicable to fiscal year 2025.



## Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
<b>Leases and Subscriptions</b>					
Lease Obligations	\$ 1,244,038	\$ 584,514	\$ 597,508	\$ 1,231,044	\$ 624,275
Subscription Obligations	363,465	—	149,737	213,728	213,728
<b>Total</b>	<b>1,607,503</b>	<b>584,514</b>	<b>747,245</b>	<b>1,444,772</b>	<b>838,003</b>
<b>Other Liabilities</b>					
Compensated Absences	9,726,999	7,778,746	7,635,258	9,870,487	6,775,690
Notes and Loans Payable	207,791,392	—	12,523,796	195,267,596	12,922,266
<b>Total</b>	<b>217,518,391</b>	<b>7,778,746</b>	<b>20,159,054</b>	<b>205,138,083</b>	<b>19,697,956</b>
<b>Total Long-Term Obligations</b>	<b>\$ 219,125,894</b>	<b>\$ 8,363,260</b>	<b>\$ 20,906,299</b>	<b>\$ 206,582,855</b>	<b>\$ 20,535,959</b>

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

Notes and loan principal and interest payments related to capital financing activities for fiscal year 2024 were \$191,874 and \$13,446, respectively. Notes and loan principal payment related to non-capital financing activities for fiscal year 2024 were \$61,344. Below is the annual debt service related to the outstanding notes payable at June 30, 2024.

Included in Long-Term Liabilities is a \$3,000,000 note payable that was originally payable to Georgia Education Authority (University), (GEA(U)). In July 2007, GEA(U) met and resolved to no longer conduct business as a state authority and disposed of all its assets and liabilities. As a result of that decision, a Note Receivable that was payable from Georgia Southern University was transferred by Resolution from GEA(U) to the University System Office (USO) of the University System of Georgia. Georgia Southern University continues to render payments according to the original amortization schedule to USO. The interest rate for the note is 5.50% and matures during fiscal year 2025.

	Principal	Interest
Year Ending June 30:		
2025	99,912	2,747
<b>Total Minimum Lease Payments - Other</b>	<b>\$ 99,912</b>	<b>\$ 2,747</b>

### 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 asset(s) transfers ownership at the end of the agreement.

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the 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 2024 were \$12,523,796 and \$8,244,131, respectively. Interest rates range from 3.605% - 5.500%.

The University has \$195,267,596 in outstanding notes and loans payable due to affiliated organizations and other related party organizations for financing lease agreements.

The following is a summary of the carrying values of assets held under financing lease agreements at June 30, 2024:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Lease Arrangements at June 30, 2024	Outstanding Balances per Lease Schedules at June 30, 2024
	( + )	( - )	( = )	
Finance Buildings and Building Improvements	323,612,873	153,283,110	170,329,763	195,267,596
Total Assets Held Under Finance Lease Arrangements	<u>\$ 323,612,873</u>	<u>\$ 153,283,110</u>	<u>\$ 170,329,763</u>	<u>\$ 195,267,596</u>

The following schedule lists the pertinent information for each of the University's financing lease agreements at June 30, 2024.

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal
PPV3901001 - Southern Courtyard	GS Housing Foundation LLC	18,296,060	27 Years	September 2003	September 2030	6,467,125
PPV3901002 - Southern Pines	GS Housing Foundation LLC	24,371,991	27 Years	September 2003	September 2030	8,614,790
PPV3902000 - Eagle Village	GS Housing Foundation LLC	30,179,998	25 Years	August 2005	July 2030	10,734,059
PPV3903001 - J.I. Clements Baseball Stadium	GS Housing Foundation LLC	2,230,350	24 Years	August 2005	July 2029	715,355
PPV3903002 - Athletic Training Center (Ironworks)	GS Housing Foundation LLC	694,056	24 Years	August 2005	July 2029	222,110
PPV3903003 - Soccer & Track Stadium	GS Housing Foundation LLC	1,677,441	24 Years	August 2005	July 2029	537,352
PPV3904001 - Recreation Activity Center (RAC)	GS Housing Foundation LLC	28,884,853	15 Years	November 2015	June 2030	13,314,162
PPV3905000 - Centennial Place	GS Housing Foundation LLC	47,614,865	21 Years	August 2017	June 2038	35,642,786
PPV3907000 - Freedom's Landing	GS Housing Foundation LLC	41,485,647	29 Years	July 2012	June 2041	36,805,050
PPV3908000 - Dining Commons Lakeside	GS Housing Foundation LLC	7,851,917	29 Years	August 2013	June 2042	6,480,968
PPV3909000 - Dining Commons (Landrum)	GS Housing Foundation LLC	18,321,141	29 Years	August 2013	June 2042	14,809,991
PPV3912000 - Kennedy Hall	GS Housing Foundation LLC	17,253,475	30 Years	August 2021	June 2051	16,730,593
PPV3910000 - Football Stadium Expansion	Athletic Foundation, Inc	10,168,728	29 Years	August 2014	June 2043	8,598,744
PPV3911000 - Football operations Center	Athletic Foundation, Inc	10,830,102	29 Years	October 2014	June 2043	8,936,321
Armstrong Center	GS Housing Foundation LLC	12,531,528	19 years	May 2016	May 2035	8,368,822
Student Union	GS Housing Foundation LLC	23,517,138	23 years	October 2016	June 2039	18,189,456
Total Financed Leases		<u>\$ 295,909,290</u>				<u>\$ 195,167,684</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, 2024.

<b>Year Ending June 30:</b>	<u>Principal</u>	<u>Interest</u>
2025	\$ 12,822,354	\$ 7,719,601
2026	13,356,461	7,185,406
2027	13,933,352	6,627,862
2028	14,513,584	6,045,719
2029	15,145,706	5,437,905
2030 through 2034	53,090,665	19,768,125
2035 through 2039	47,884,314	10,010,350
2040 through 2044	18,385,384	2,550,499
2045 through 2049	4,153,336	731,400
2050 through 2054	<u>1,882,528</u>	<u>71,447</u>
Total Minimum Lease Payments	<u>\$ 195,167,684</u>	<u>\$ 66,148,314</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, 2024, consisted of the following:

### Deferred Outflows of Resources

Deferred Loss on Debt Refunding	\$ 428,714
Deferred Outflows on Defined Benefit Pension Plans (See Note 14)	66,635,090
Deferred Outflows on OPEB Plan (See Note 17)	<u>30,966,827</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 98,030,631</u>

### Deferred Inflows of Resources

Deferred Gain on Debt Refunding	\$ 4,758,518
Deferred Inflows on Defined Benefit Pension Plans (See Note 14)	5,305,585
Deferred Inflows on OPEB Plan (See Note 17)	<u>116,881,400</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$ 126,945,503</u>

### Deferred Loss/Gain on Debt Refunding

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

## Note 10 Net Position

The breakdown of business-type activity net position for the University fund at June 30, 2024 is as follows:

Net Investment in Capital Assets	\$ 492,130,414
Restricted for	
Nonexpendable	
Permanent Endowment	6,853,169
Expendable	
Sponsored and Other Organized Activities	3,541,639
Federal Loans	984,457
Institutional Loans	69,006
Sub-Total	4,595,102
Unrestricted	
Auxiliary Enterprises Operations	30,840,572
Reserve for Encumbrances	25,590,218
Reserve for Inventory	84,000
Capital Liability Reserve Fund	1,939,190
Other Unrestricted	(362,205,218)
Sub-Total	(303,751,238)
Total Net Position	\$ 199,827,447

Other unrestricted net position is reduced by \$272,966,831 related to the recording of net OPEB liability, deferred outflow of resources, and deferred inflows of resources related to the OPEB plan. Other unrestricted net position is also reduced by \$144,496,061 related to the recording of net pension liability, deferred outflow of resources, and deferred inflow 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, 2024 are as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Net Investments in Capital Assets	\$ 488,453,505	\$ 31,234,070	\$ 27,557,161	\$ 492,130,414
Restricted Net Position	10,948,486	166,299,153	165,799,368	11,448,271
Unrestricted Net Position	(325,444,270)	411,894,446	390,201,414	(303,751,238)
Total Net Position	\$ 173,957,721	\$ 609,427,669	\$ 583,557,943	\$ 199,827,447

## 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. Current year net appreciation on endowment investments available for authorization for expenditure was \$1,252,630 and is reflected as expendable restricted net position.

The University uses a conservative approach for endowment management by using a hybrid combination of the total return concept for income and gains/losses, and the classical trust method that protects the corpus of the endowments. Annual payouts from the University's endowment funds are based on a spending policy which limits annual endowed scholarship spending as 4% of the three-year moving average of the endowment fair market value. To the extent that the total return for the current year exceeds payout, the excess is added to restricted expendable net position. If total payouts exceed total return, prior years' net appreciation is reduced.

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, 2024.

## Note 13 Leases and Subscriptions

The University leases land, facilities, office and computer equipment, and other assets. The University also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements 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 payments related to leases for fiscal year 2024 were \$597,508 and \$76,731, respectively. Interest rates range from .3449% - 21.000%.

The University's principal and interest payments related to SBITAs for fiscal year 2024 were \$149,737 and \$7,812, respectively. Interest rate is 2.26%.

### Lease Obligations

The University has no outstanding lease obligations due to affiliated organizations and other related party organizations.

There were no residual guaranteed payment, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2024.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2024:

Description	Gross Amount	Less: Accumulated Amortization	Net, Assets Held Under Lease Obligations at June 30, 2024	Outstanding Balance per Lease Schedules at June 30, 2024
	(+)	(-)	(=)	
Leased Equipment	\$ 2,188,653	\$ 1,018,785	\$ 1,169,868	\$ 1,231,044
Leased Buildings and Building Improvements	113,461	110,310	3,151	—
Total Assets Held Under Lease	<u>\$ 2,302,114</u>	<u>\$ 1,129,095</u>	<u>\$ 1,173,019</u>	<u>\$ 1,231,044</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
Wexford Ireland Campus Lease	GS Housing Foundation LLC	113,461	57 Periods	October 2019	June 2024	0.1
Miscellaneous Equipment	Various	2,265,322	36-72 Periods	Various	Various	1,231,044
Total Leases		<u>\$ 2,378,783</u>				<u>\$ 1,231,044</u>

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 year at June 30, 2024:

Year Ending June 30:	Principal	Interest
2025	\$ 624,275	\$ 49,629
2026	423,319	19,412
2027	167,065	2,988
2028	15,003	290
2029	1,382	41
Total Minimum Lease Payments	<u>\$ 1,231,044</u>	<u>\$ 72,360</u>

### Subscription Obligations

The University has no outstanding subscription obligations due to affiliated organizations and other related party organizations.

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2024.

The following is a summary of the carrying values of intangible right-to-use assets held under SBITA at June 30, 2024:

Description	Gross Amount	Less: Accumulated Amortization	Net, Assets Held Under Subscription Obligations at June 30, 2024	Outstanding Balance per Subscription Schedules at June 30, 2024
Subscription Based IT Arrangements (SBITAs) - Work in Progress	\$ 332,215	\$ —	\$ 332,215	\$ —
Subscription Based IT Arrangements (SBITAs)	428,319	214,159	214,160	213,728
Total Assets Held Under Subscription Based Information Technology Arrangements (SBITAs)	<u>\$ 760,534</u>	<u>\$ 214,159</u>	<u>\$ 546,375</u>	<u>\$ 213,728</u>

Below is the future commitments related to the outstanding subscription obligations year at June 30, 2024:

	Principal	Interest
Year Ending June 30:		
2025	\$ 213,728	\$ 7,272
Total Minimum Subscription Payments	\$ 213,728	\$ 7,272

## 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 [trsga.com/publications](http://trsga.com/publications).

##### Benefits Provided

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

##### Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2024. The University's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of the University annual payroll. The University's contributions to TRS totaled \$20,486,251 for the year ended June 30, 2024.

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

##### Plan description

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the

authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [ers.ga.gov/financials](https://ers.ga.gov/financials).

#### Benefits provided

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

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

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

#### Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The University's contributions to ERS totaled \$148,792 for the year ended June 30, 2024. 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, 2024, 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, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 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, 2023. At June 30, 2023, the University's TRS proportion was 0.69407%, which was an decrease of (0.001673)% from its proportion measured as of June 30, 2022. At June 30, 2023, the University's ERS proportion was 0.015192%, which was an increase of 0.000427% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized pension expense of \$38,036,201 for TRS and \$253,433 for ERS. At June 30, 2024, 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	\$ 10,405,525	\$ 847,272	\$13,767	\$ 2,124
Changes of assumptions	21,081,793	—	34,873	—
Net difference between projected and actual earnings on pension plan investments	14,412,523	—	36,919	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	4,456,189	14,647	—
Contributions subsequent to the measurement date	20,486,251	—	148,792	—
<b>Total</b>	<b>\$ 66,386,092</b>	<b>\$ 5,303,461</b>	<b>\$ 248,998</b>	<b>\$ 2,124</b>

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, 2025. 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
2025	\$ 11,058,395	\$ 50,987
2026	\$ 7,193,362	\$ (9,799)
2027	\$ 27,422,551	\$ 73,777
2028	\$ (5,077,928)	\$ (16,883)

### Actuarial assumptions

The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 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	6.90%, 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 improvement 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

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
Cost-of-living adjustment	1.05%, annually

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, 2022 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 %	0.90 %	30.00 %	0.90 %
Domestic large equities	46.30 %	9.40 %	46.30 %	9.40 %
Domestic small equities	1.20 %	13.40 %	1.20 %	13.40 %
International developed market equities	12.30 %	9.40 %	12.30 %	9.40 %
International emerging market equities	5.20 %	11.40 %	5.20 %	11.40 %
Alternatives	5.00 %	10.50 %	5.00 %	10.50 %
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 6.90% 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 Institute'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 6.90% 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 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	\$ 324,001,211	\$ 204,919,274	\$ 107,672,842

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 1,243,622	906,292	\$ 622,419

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and ERS financial reports which are publically available at [trsga.com/publications](https://trsga.com/publications) and [ers.ga.gov/financials](https://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 2024, 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 \$8,142,385 (9.24%) and \$5,287,261 (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 2024, 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2024.

## **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 2024, 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, 2024:

Active Employees	2,672
Retirees or Beneficiaries Receiving Benefits	1,069
Retirees or Beneficiaries Eligible But Not Receiving Benefits	—
Retirees Receiving Life Insurance Only	<u>276</u>
Total	<u><u>4,017</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 2024 plan year, the employer rate was approximately 83% of the total health insurance cost for eligible retirees and the retiree rate was approximately 17%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2024, the University contributed \$5,297,616 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, 2024, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2023. An expected total OPEB liability as of June 30, 2023 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, 2023. At June 30, 2023, the University's proportion was 5.887057%, which was an decrease of (0.163600)% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized OPEB expense of \$(19,912,704). At June 30, 2024, 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	\$ 8,031,152	\$ 1,428,925
Changes of assumptions	15,663,490	101,840,588
Net difference between projected and actual earnings on OPEB plan investments	848,125	—
Changes in proportion and differences between contributions and proportionate share of contributions	1,126,444	13,611,887
Contributions subsequent to the measurement date	5,297,616	—
Total	<u>\$ 30,966,827</u>	<u>\$ 116,881,400</u>

The University's contributions subsequent to the measurement date of \$5,297,616 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, 2025. 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:

2025	\$	(28,572,001)
2026	\$	(27,535,104)
2027	\$	(21,658,237)
2028	\$	(11,889,307)
2029	\$	(1,557,540)

Actuarial assumptions

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of May 1, 2023 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	Interest Rate as of 6/30/2023 of 3.65% from Bond Buyers GO 20-Municipal Bond Index Rate; Discount Rate 3.69% Interest Rate as of 6/30/2022 of 3.54% from Bond Buyers GO 20- Municipal Bond Index Long-term Rate of Return 5.40% General Inflation 2.30% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2021
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.7%
Medicare Eligible	2%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	2%
Year Ultimate Trend is Reached	Fiscal Year 2034 for Pre-Medicare Eligible, Fiscal Year 2023 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.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,000 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

Changes in Plan Since Prior Valuation

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	1.63 %	70 %
Equity Allocation	4.52 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2027 is \$0, based on the valuation completed for the fiscal year ending June 30, 2023. 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 2028. Therefore, the long-term expected rate of return on Plan investments of 5.40% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2023, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a single equivalent yield or index rate of 3.69% was used. This rate is comprised primarily of the yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher (3.65% from the Bond Buyers GO 20-Bond Municipal Bond Index).

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

The following presents the 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 (2.69%) or 1% higher (4.69%) than the current discount rate (3.69%):

	1% Decrease 2.69%	Current Rate 3.69%	1% Increase 4.69%
Proportionate Share of the Net OPEB Liability	\$ 217,293,506	\$ 187,052,258	\$ 162,479,882

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	\$ 164,092,111	\$ 187,052,258	\$ 215,573,235
Pre-Medicare Eligible	6.7% decreasing to 3.5%	7.7% decreasing to 4.5%	8.7% decreasing to 5.5%
Medicare Eligible	1.0%	2.0%	3.0%

OPEB plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the USG Consolidated Annual Financial Report which is publicly available at [usg.edu/fiscal\\_affairs/financial\\_reporting/](https://usg.edu/fiscal_affairs/financial_reporting/).



## Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2024 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 71,859,925	\$ 10,381,947	\$ 25,959,740	\$ 36,905	\$ 798,442
Research	22,176,725	3,607,238	7,853,755	831,610	511,648
Public Service	706,303	1,446,935	628,878	442	84,847
Academic Support	8,547,399	16,878,985	8,239,653	185,988	545,548
Student Services	—	21,465,877	7,078,016	37,904	410,870
Institutional Support	—	20,630,027	4,909,164	837,892	396,206
Plant Operations and Maintenance	—	15,806,430	6,195,981	—	39,361
Scholarships and Fellowships	—	—	—	—	1,200
Auxiliary Enterprises	—	23,009,104	6,594,737	224,155	987,147
<b>Total Operating Expenses</b>	<b>\$ 103,290,352</b>	<b>\$ 113,226,543</b>	<b>\$ 67,459,924</b>	<b>\$ 2,154,896</b>	<b>\$ 3,775,269</b>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 1,974,958	\$ 7,503	\$ 8,552,340	\$ 1,487,068	\$ 121,058,828
Research	334,848	1,638,297	4,106,302	1,146,916	42,207,339
Public Service	2,493	3,297	73,171,857	27,724	76,072,776
Academic Support	124,204	51,540	13,554,713	1,539,185	49,667,215
Student Services	232,917	811,499	8,571,247	901,936	39,510,266
Institutional Support	—	76,503	14,200,566	1,097,239	42,147,597
Plant Operations and Maintenance	—	10,966,918	10,823,841	14,577,349	58,409,880
Scholarships and Fellowships	22,056,124	—	8,881	—	22,066,205
Auxiliary Enterprises	6,288,788	3,875,584	45,098,584	7,135,435	93,213,534
<b>Total Operating Expenses</b>	<b>\$ 31,014,332</b>	<b>\$ 17,431,141</b>	<b>\$ 178,088,331</b>	<b>\$ 27,912,852</b>	<b>\$ 544,353,640</b>



Required  
*Supplementary*  
Information

# Required Supplementary Information

**GEORGIA SOUTHERN UNIVERSITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
DEFINED BENEFIT PENSION PLANS  
FOR THE LAST TEN FISCAL 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, 2024	\$ 148,792	\$ 148,792	\$ —	\$ 497,295	29.92%
	June 30, 2023	\$ 133,716	\$ 133,716	\$ —	\$ 423,297	31.59%
	June 30, 2022	\$ 89,931	\$ 89,931	\$ —	\$ 365,260	24.62%
	June 30, 2021	\$ 83,008	\$ 83,008	\$ —	\$ 336,804	24.65%
	June 30, 2020	\$ 99,705	\$ 99,705	\$ —	\$ 358,467	27.81%
	June 30, 2019	\$ 100,523	\$ 100,523	\$ —	\$ 410,562	24.48%
	June 30, 2018	\$ 95,019	\$ 95,019	\$ —	\$ 382,685	24.83%
	June 30, 2017	\$ 106,174	\$ 106,174	\$ —	\$ 427,951	24.81%
	June 30, 2016	\$ 81,308	\$ 81,308	\$ —	\$ 328,915	24.72%
	June 30, 2015	\$ 72,483	\$ 72,483	\$ —	\$ 338,537	21.41%
Teachers' Retirement System	June 30, 2024	\$ 20,486,251	\$ 20,486,251	\$ —	\$ 102,250,307	20.04%
	June 30, 2023	\$ 20,217,396	\$ 20,217,396	\$ —	\$ 100,974,841	20.02%
	June 30, 2022	\$ 18,633,028	\$ 18,633,028	\$ —	\$ 93,916,690	19.84%
	June 30, 2021	\$ 17,757,569	\$ 17,757,569	\$ —	\$ 92,833,861	19.13%
	June 30, 2020	\$ 20,149,426	\$ 20,149,426	\$ —	\$ 95,322,189	21.14%
	June 30, 2019	\$ 19,347,019	\$ 19,347,019	\$ —	\$ 92,287,030	20.96%
	June 30, 2018	\$ 15,397,841	\$ 15,397,841	\$ —	\$ 91,555,230	16.82%
	June 30, 2017	\$ 12,881,126	\$ 12,881,126	\$ —	\$ 90,095,870	14.30%
	June 30, 2016	\$ 12,154,928	\$ 12,154,928	\$ —	\$ 84,673,280	14.36%
	June 30, 2015	\$ 10,739,358	\$ 10,739,358	\$ —	\$ 81,388,589	13.20%

**GEORGIA SOUTHERN UNIVERSITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS  
FOR THE LAST TEN 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, 2024	0.015192%	\$ 906,292	\$ 423,297	214.10%	71.20%
	June 30, 2023	0.014765%	\$ 986,075	\$ 365,260	269.97%	67.44%
	June 30, 2022	0.014042%	\$ 328,429	\$ 336,804	97.51%	87.62%
	June 30, 2021	0.014168%	\$ 597,175	\$ 358,467	166.59%	76.21%
	June 30, 2020	0.016155%	\$ 666,641	\$ 410,562	162.37%	76.74%
	June 30, 2019	0.014946%	\$ 614,435	\$ 382,685	160.56%	76.68%
	June 30, 2018	0.017447%	\$ 708,581	\$ 427,951	165.58%	76.33%
	June 30, 2017	0.059928%	\$ 500,478	\$ 328,915	152.16%	72.34%
	June 30, 2016	0.016070%	\$ 245,920	\$ 338,537	72.64%	76.20%
	June 30, 2015	0.172620%	\$ 341,006	\$ 420,275	81.14%	77.99%
Teachers Retirement System	June 30, 2024	0.694070%	\$ 204,919,274	\$ 100,974,841	202.94%	76.29%
	June 30, 2023	0.695743%	\$ 225,921,201	\$ 93,916,690	240.55%	72.85%
	June 30, 2022	0.714959%	\$ 63,233,355	\$ 92,833,861	68.11%	92.03%
	June 30, 2021	0.738159%	\$ 178,811,001	\$ 95,322,189	187.59%	77.01%
	June 30, 2020	0.758188%	\$ 163,030,921	\$ 92,287,030	176.66%	78.56%
	June 30, 2019	0.769147%	\$ 142,770,159	\$ 91,555,230	155.94%	80.27%
	June 30, 2018	0.785964%	\$ 146,073,830	\$ 90,095,870	162.13%	79.33%
	June 30, 2017	0.775950%	\$ 160,087,136	\$ 84,673,280	189.06%	76.06%
	June 30, 2016	0.773696%	\$ 117,787,533	\$ 81,388,589	144.72%	81.44%
	June 30, 2015	0.766056%	\$ 96,840,576	\$ 77,952,202	124.23%	84.03%

**GEORGIA SOUTHERN UNIVERSITY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
DEFINED BENEFIT PENSION PLANS  
METHODS AND ASSUMPTIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

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%. These assumption changes were first reflected in the calculation of the June 30, 2021 Total Pension Liability.

On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed 20-year period.

Teachers Retirement System:

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, withdrawal and salary increases.

On May 15, 2019, the Board adopted 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.

On May 11, 2022, the Board adopted recommended changes to the long-term assumed rate of return and payroll growth assumption utilized by the System. The long-term assumed rate of return was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

**GEORGIA SOUTHERN UNIVERSITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
FOR THE LAST EIGHT FISCAL 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, 2024	\$ 5,297,616	\$ 5,297,616	\$ —	\$ 199,514,077	2.66%
June 30, 2023	\$ 5,974,544	\$ 5,974,544	\$ —	\$ 194,190,760	3.08%
June 30, 2022	\$ 8,854,708	\$ 8,854,708	\$ —	\$ 194,500,394	4.55%
June 30, 2021	\$ 7,060,086	\$ 7,060,086	\$ —	\$ 183,365,648	3.85%
June 30, 2020	\$ 6,248,782	\$ 6,248,782	\$ —	\$ 187,091,974	3.34%
June 30, 2019	\$ 10,048,406	\$ 10,048,406	\$ —	\$ 185,700,856	5.41%
June 30, 2018	\$ 10,031,368	\$ 10,031,368	\$ —	\$ 160,124,444	6.26%
June 30, 2017	\$ 6,440,455	\$ 6,440,455	\$ —	\$ 174,103,023	3.70%

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

**GEORGIA SOUTHERN UNIVERSITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
FOR THE LAST SEVEN FISCAL YEARS\***

<u>Year Ended</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
June 30, 2024	5.887057%	\$ 187,052,258	\$ 194,190,760	96.32%	6.44%
June 30, 2023	6.050657%	\$ 239,686,008	\$ 194,500,394	123.23%	5.08%
June 30, 2022	6.014688%	\$ 302,724,096	\$ 183,365,648	165.09%	3.74%
June 30, 2021	6.079055%	\$ 324,239,728	\$ 187,091,974	173.30%	2.91%
June 30, 2020	6.265256%	\$ 280,155,182	\$ 185,700,856	150.86%	3.13%
June 30, 2019	6.332137%	\$ 279,294,803	\$ 160,124,444	174.42%	1.69%
June 30, 2018	6.467366%	\$ 272,905,117	\$ 174,103,023	156.75%	0.19%

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



**GEORGIA SOUTHERN UNIVERSITY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
METHODS AND ASSUMPTIONS  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

*Changes in Assumptions Since Prior Valuation*

The financial accounting valuation reflects the following assumption changes:

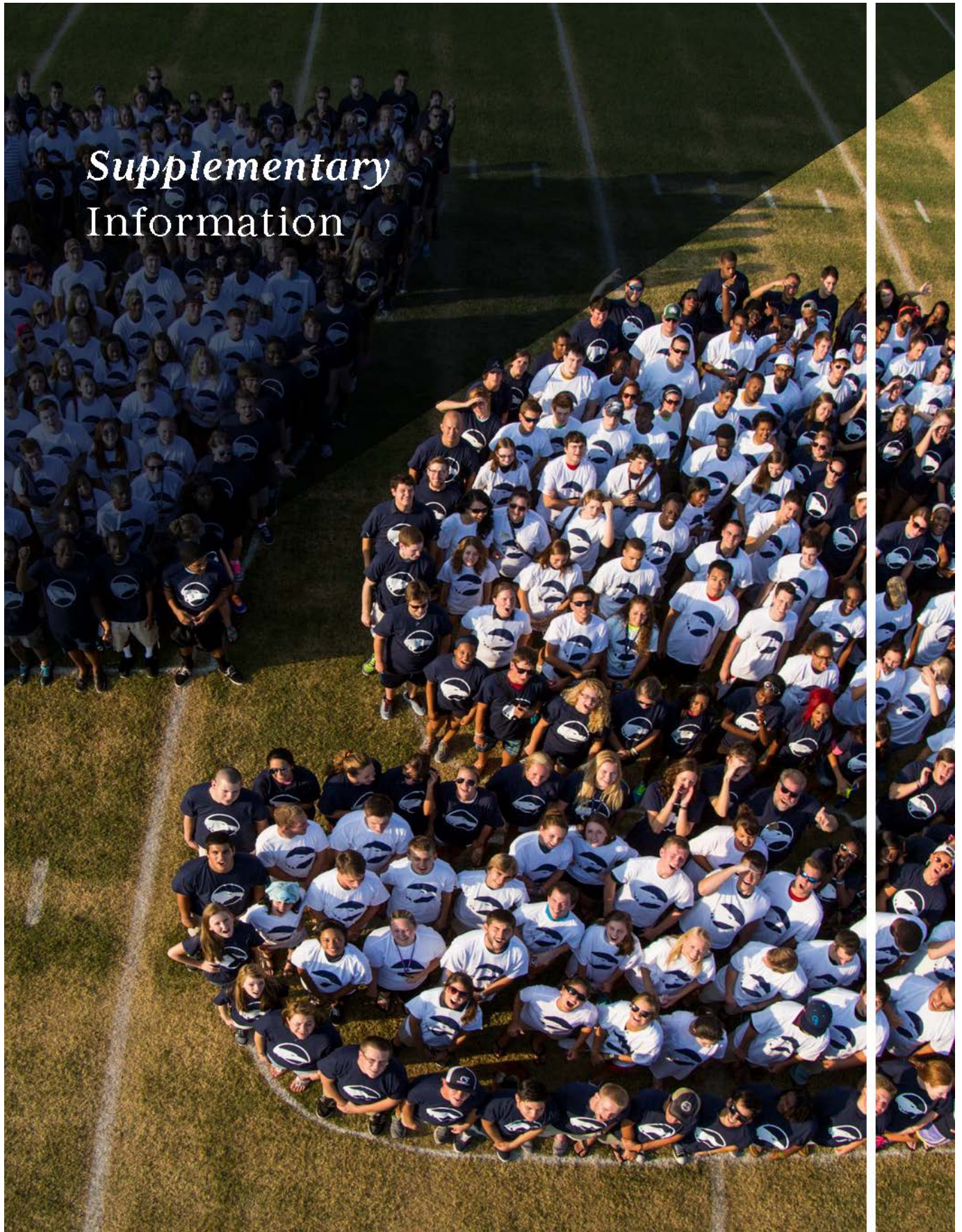
- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,000 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

*Changes in Plan Since Prior Valuation*

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.

# Supplementary Information



**GEORGIA SOUTHERN UNIVERSITY  
BALANCE SHEET (NON-GAAP BASIS)  
BUDGET FUNDS  
JUNE 30. 2024  
(UNAUDITED)**

ASSETS

Cash and Cash Equivalents	\$	31,793,467.66
Investments		10,059,867.50
Accounts Receivable		
Federal Financial Assistance		22,563,337.13
Other		8,671,025.61
Prepaid Expenditures		413,576.15
Inventories		75,193.30
Other Assets		731,906.38
		<hr/>
Total Assets	\$	<u><u>74,308,373.73</u></u>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	\$	659,183.05
Encumbrance Payable		20,305,156.32
Accounts Payable		773,253.50
Unearned Revenue		8,607,229.72
Funds Held for Others		120,474.66
Other Liabilities		10,507.50
		<hr/>
Total Liabilities		<u>30,475,804.75</u>

Fund Balances

Reserved		
Department Sales and Services		6,070,722.73
Indirect Cost Recoveries		15,033,439.87
Technology Fees		1,009,421.17
Restricted/Sponsored Funds		16,412,178.93
Uncollectible Accounts Receivable		1,321,915.59
Inventories		84,000.00
Tuition Carry - Forward		3,851,924.70
Unreserved		
Surplus		48,965.99
		<hr/>
Total Fund Balances		<u>43,832,568.98</u>
		<hr/>
Total Liabilities and Fund Balances	\$	<u><u>74,308,373.73</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 SOUTHERN UNIVERSITY  
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET  
BY PROGRAM AND FUNDING SOURCE  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Funds Available Compared to Budget</u>			
	<u>Original Appropriation</u>	<u>Final Budget</u>	<u>Current Year Revenues</u>	<u>Prior Year Reserve Carry-Over</u>
Teaching				
State Appropriation				
State General Funds	\$ 162,279,726.00	\$ 170,984,053.00	\$ 170,984,053.00	\$ —
Federal Funds				
Federal Funds Not Specifically Identified	52,176,949.00	158,981,693.00	131,606,029.55	
Federal Funds - COVID19		20,000.00	13,151.98	
Other Funds	<u>156,557,094.00</u>	<u>210,802,176.00</u>	<u>189,129,637.14</u>	<u>27,345,245.30</u>
Total Teaching	<u>371,013,769.00</u>	<u>540,787,922.00</u>	<u>491,732,871.67</u>	<u>27,345,245.30</u>
Total Operating Activity	<u>\$ 371,013,769.00</u>	<u>\$ 540,787,922.00</u>	<u>\$ 491,732,871.67</u>	<u>\$ 27,345,245.30</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 SOUTHERN UNIVERSITY**  
**STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET**  
**BY PROGRAM AND FUNDING SOURCE**  
**BUDGET FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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	—	\$170,984,053.00	\$ —	\$ 170,984,033.00	\$ 20.00	\$ 20.00
Federal Funds						
Federal Funds Not Specifically Identified	—	131,606,029.55	(27,375,663.45)	131,606,029.55	27,375,663.45	—
Federal Funds - COVID19	—	13,151.98	(6,848.02)	13,151.98	6,848.02	
Other Funds	—	216,474,882.44	5,672,706.44	174,091,256.86	36,710,919.14	42,383,625.58
Total Teaching	—	519,078,116.97	-21,709,805.03	476,694,471.39	64,093,450.61	42,383,645.58
Total Operating Activity	—	\$519,078,116.97	(21,709,805.03)	\$476,694,471.39	\$64,093,450.61	\$42,383,645.58

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 SOUTHERN UNIVERSITY  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2023 Surplus	Prior Year Adjustments	Other Adjustments	Early Return of Fiscal Year 2024 Surplus
Teaching						
State Appropriation						
State General Funds	\$ 37,354.21	\$ —	(37,354.21)	\$ 17,685.34	\$ —	—
Federal Funds						
Other Funds	27,367,550.84	(27,345,245.30)	(22,305.54)	19,856.63	5,465.84	—
Total Teaching	27,404,905.05	(27,345,245.30)	(59,659.75)	37,541.97	5,465.84	—
Total Operating Activity	27,404,905.05	(27,345,245.30)	(59,659.75)	37,541.97	5,465.84	—
Prior Year Reserves						
Not Available for Expenditure						
Inventories	75,000.00				9,000.00	
Uncollectible Accounts Receivable	1,336,381.43				(14,465.84)	
Budget Unit Totals	\$28,816,286.48	(27,345,245.30)	(59,659.75)	37,541.97	—	—

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

**GEORGIA SOUTHERN UNIVERSITY  
STATEMENT OF CHANGES TO FUND BALANCE  
BY PROGRAM AND FUNDING SOURCE  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30, 2023	Analysis of Ending Fund Balance		
			Reserved	Surplus/(Deficit)	Total
Teaching					
State Appropriation					
State General Funds	\$ 20.00	\$ 17,705.34	\$ —	\$ 17,705.34	\$ 17,705.34
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	42,383,625.58	42,408,948.05	42,377,687.40	31,260.65	42,408,948.05
<b>Total Teaching</b>	<b>42,383,645.58</b>	<b>42,426,653.39</b>	<b>42,377,687.40</b>	<b>48,965.99</b>	<b>42,426,653.39</b>
<b>Total Operating Activity</b>	<b>42,383,645.58</b>	<b>42,426,653.39</b>	<b>42,377,687.40</b>	<b>48,965.99</b>	<b>42,426,653.39</b>
Prior Year Reserves					
Not Available for Expenditure					
Inventories		84,000.00	84,000.00		84,000.00
Uncollectible Accounts Receivable		1,321,915.59	1,321,915.59		1,321,915.59
<b>Budget Unit Totals</b>	<b>\$ 42,383,645.58</b>	<b>\$ 43,832,568.98</b>	<b>\$ 43,783,602.99</b>	<b>\$ 48,965.99</b>	<b>\$ 43,832,568.98</b>
Departmental Sales and Services			6,070,722.73	—	6,070,722.73
Indirect Cost Recovery			15,033,439.87	—	15,033,439.87
Technology Fees			1,009,421.17	—	1,009,421.17
Restricted/Sponsored Funds			16,412,178.93	—	16,412,178.93
Property Reserves			—	—	—
Tuition Carry-Forward			3,851,924.70	—	3,851,924.70
Uncollectible Accounts Receivable			1,321,915.59	—	1,321,915.59
Inventories			84,000.00	—	84,000.00
Early Retirement Program			—	—	—
Surplus			—	48,965.99	48,965.99
			<b>\$ 43,783,602.99</b>	<b>\$ 48,965.99</b>	<b>\$ 43,832,568.98</b>

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

