



CLAYTON STATE UNIVERSITY

**FISCAL YEAR 2017
ANNUAL FINANCIAL REPORT**
(Including Independent Auditor's Report)

Morrow, Georgia



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

CLAYTON STATE UNIVERSITY
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For the Fiscal Year Ended June 30, 2017

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INTRODUCTORY SECTION



CLAYTON STATE UNIVERSITY

Message from the President

Clayton State University is a four year university focused on learning and community engagement. The University is comprised of a diverse intellectual community. We hope you will discover the exceptional strengths of our faculty and staff, their shared commitment to our role as stewards of place as we work make the dreams, goals, and aspirations of our students a reality.

There are many good reasons that *The Atlanta Journal Constitution* has named Clayton State University one of the Top 100 workplaces in Metropolitan Atlanta 6 times in the past 6 years, and Clayton State University was ranked no. 12 among Atlanta's 25 Largest Colleges and Universities for 2016 by the *Atlanta Business Chronicle* and was selected as a 2017 Great College to Work For® by the *Chronicle of Higher Education*.

In 2015, US News and World Report placed the university in the top tier of regional Comprehension Colleges, 7th among public institutions in the South. The Carnegie Foundation has assigned to us the classification of a Community Engaged University, a role we have embraced, and have used to drive university learning. We are proud that we offer more than 40 undergraduate majors and 9 graduate degree programs.

Clayton State University has developed a five-year strategic plan, which is positioning the university for continued success during a period of dramatic change in higher education the six major tenets of which are:

1. Increase enrollment, retention, and graduation rates.
2. Increase external funding.
3. Build brand through community engagement and program development focused on career preparation and success.
4. Promote the brand through an integrated marketing communication program.
5. Advance innovation in experiential teaching styles, methods of delivery, and research.
6. Continue investing in infrastructure improvements

As you examine that document, you will find the following themes, among others:

Community Engagement - As a part of the reaffirmation of our accreditation, the university developed PACE, or Partnering Academics with Community Engagement. <http://www.clayton.edu/pace> Community engagement is defined as intentional efforts within courses to engage students in planned and purposeful related service experience within the community to impact student learning outcomes including critical thinking, problem solving and communication. Community engagement and service-learning have been shown to be beneficial to student and faculty engagement in the learning process. Our students, faculty, and staff are committed to being models of learning and community.

Active Learning - EDGE <http://www.clayton.edu/edge> In every learning situation, students will be asked to take actions that contribute to their own learning. Such learning will lead to persistence in reaching academic goals, including graduation. Students will be supported in their efforts to be prepared for the marketplace, as well as through multiple forms of engagement, prepared to find relationships among learning and all other parts of their lives.

On behalf of Clayton State University's faculty, staff, students and alumni, I thank you for your support. Clayton State University has been, and continues to be a place where needs are met, goals are achieved, and dreams are made real.

Thomas J. Hynes, President

Letter of Transmittal

August 15, 2017

To President, Clayton State University,

The Annual Financial Report (AFR) for Clayton State University (Institution) includes the financial statements for the year ended June 30, 2017, as well as other useful information to help ensure the Institution's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the Institution's financial position as a result of operations for the fiscal year ended June 30, 2017.

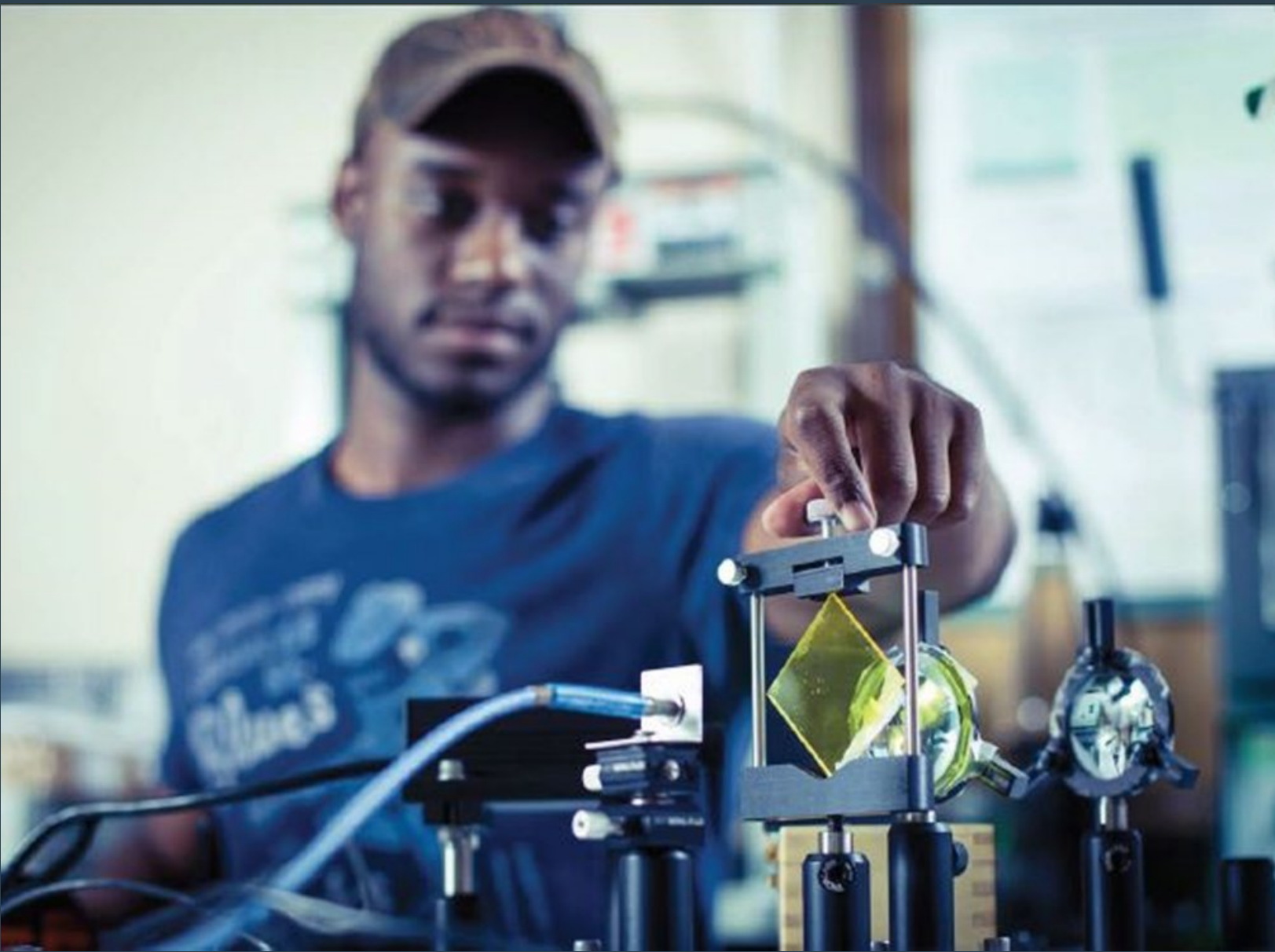
Clayton State University's management is responsible for the accuracy of this information and for the completeness and fairness of its presentation, including all disclosures. We believe the information is accurate and fairly presents the Institute's financial position, revenues, expenses and other changes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

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

Respectfully submitted,

Ms. Corlis Cummings
Vice-President, Business Operations

FINANCIAL SECTION



CLAYTON STATE UNIVERSITY

CLAYTON STATE UNIVERSITY

Management's Discussion and Analysis

Introduction

Clayton State University (University) is one of the 28 institutions of higher education of the University System of Georgia. The University, located in Morrow, Georgia, was founded in 1969 and cultivates an environment of engaged, experienced-based learning, enriched by active community service, that prepares students of diverse ages and backgrounds to succeed in their lives and careers.

Through a distinctive combination of proven and innovative methods of teaching and learning, Clayton State University excels in preparing students from many walks of life to meet the challenges of living and working in a dynamic, global society.

Clayton State currently has more than 40 undergraduate majors in the Colleges of Arts & Sciences, Business, Health, and Information and Mathematical Sciences. The University's School of Graduate Studies has nine master's degree programs.

and has become known for its state-of-the-art technology and technology-related programs. The University offers baccalaureate and master's degrees in a wide variety of subjects. This broad range of educational opportunities attracts a highly qualified faculty and a student body of nearly 7000 students.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2017	6,996	5,677
FY 2016	7,012	5,699
FY 2015	7,022	5,728

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2017. 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 Institution's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2017 and fiscal year 2016.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2017 and includes all assets and liabilities, both current and noncurrent. 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 Institution and how much the Institution owes vendors. The difference between assets and liabilities (net position) is one indicator of the University's financial health. Increase 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 Institution's equity in property, plant and equipment owned by the Institution.

The next category is the net investment in capital assets. It provides the Institution's equity in property, plant and equipment owned by the Institution.

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 Institution 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 Institution for any lawful purpose.

CONDENSED STATEMENT OF NET POSITION	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 14,776,749	\$ 11,562,895	\$ 3,213,854	27.79 %
Capital Assets, Net	130,471,928	137,091,345	(6,619,417)	(4.83)%
Other Assets	584,393	2,134,441	(1,550,048)	(72.62)%
TOTAL ASSETS	145,833,070	150,788,681	(4,955,611)	(3.29)%
DEFERRED OUTFLOWS	8,601,183	2,727,743	5,873,440	215.32 %
LIABILITIES				
Current Liabilities	7,465,945	6,000,044	1,465,901	24.43 %
Non-Current Liabilities	113,160,149	101,842,439	11,317,710	11.11 %
TOTAL LIABILITIES	120,626,094	107,842,483	12,783,611	11.85 %
DEFERRED INFLOWS	1,009,664	2,655,837	(1,646,173)	(61.98)%
NET POSITION				
Net Investment in Capital Assets	51,503,046	61,578,861	(10,075,815)	(16.36)%
Restricted, Non-Expendable	1,647,959	1,498,797	149,162	9.95 %
Restricted, Expendable	8,835	54,196	(45,361)	(83.70)%
Unrestricted	(20,361,345)	(20,113,750)	(247,595)	1.23 %
TOTAL NET POSITION	\$ 32,798,495	\$ 43,018,104	\$ (10,219,609)	(23.76)%

Total assets decreased \$(4,955,611) which was due to an increase in current assets of \$3,213,854, a decrease in net capital assets of \$(6,619,417), and a decrease in other assets of \$(1,550,048). Accounts receivables rose due to an increase in tuition and a change in the presentation of the due from affiliated organization.

Total deferred outflows of resources increased by \$5,873,440 which was primarily 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.

Total liabilities increased \$12,783,611 which was due to an increase in current liabilities of \$1,465,901 and an increase in non-current liabilities of \$11,317,710. Accounts payable increased \$908,760, which was largely attributable to amounts due at the end of the fiscal year for financial aid payables and interest payable. Advances decreased \$594,771, which was attributable to a decrease in enrollment. Lease purchase obligations increased by \$3,456,398, which was attributable to the addition of the new capital lease for Woodlands and Arbor Hall. Compensated absences increased by \$4906, which was related to a combination of an increase in salaries and an increase in unused vacation leave. Funds held for others increased \$239,546 mainly due to as an increase in the Direct Lending loan program. Net pension liability increased \$8,325,821 related to the University's proportionate share of the actuarially determined liability for defined benefit plans administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded a decrease in net position of \$(10,219,609). This change in net position is primarily in the category of Net Investment in Capital Assets, in the amount of \$(10,075,815).

Total deferred inflows of resources decreased by \$(1,646,173) which was primarily due to the University's proportionate share of the actuarially determined deferred gain on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

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 Institution, both operating and non-operating, and the expenses paid by the Institution, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the Institution. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the Institution. 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 Institution. 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 Institution without the Legislature directly receiving commensurate goods and services for those revenues.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
Operating Revenue	\$ 46,216,215	\$ 44,319,561	\$ 1,896,654	4.28 %
Operating Expense	87,701,094	89,730,058	(2,028,964)	-2.26 %
Operating Income/Loss	(41,484,879)	(45,410,497)	3,925,618	(8.64)%
Non-Operating Revenue and Expense	34,910,535	40,479,084	(5,568,549)	-13.76 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	(6,574,344)	(4,931,413)	(1,642,931)	33.32 %
Other Revenues, Expenses, Gains, Losses and Special Items	223,228	25,367,915	(25,144,687)	-99.12 %
Change in Net Position	(6,351,116)	20,436,502	(26,787,618)	(131.08)%
Net Position at beginning of year, restated	39,149,611	22,581,602	16,568,009	73.37 %
Net Position at End of Year	\$ 32,798,495	\$ 43,018,104	\$ (10,219,609)	(23.76)%

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

Revenues

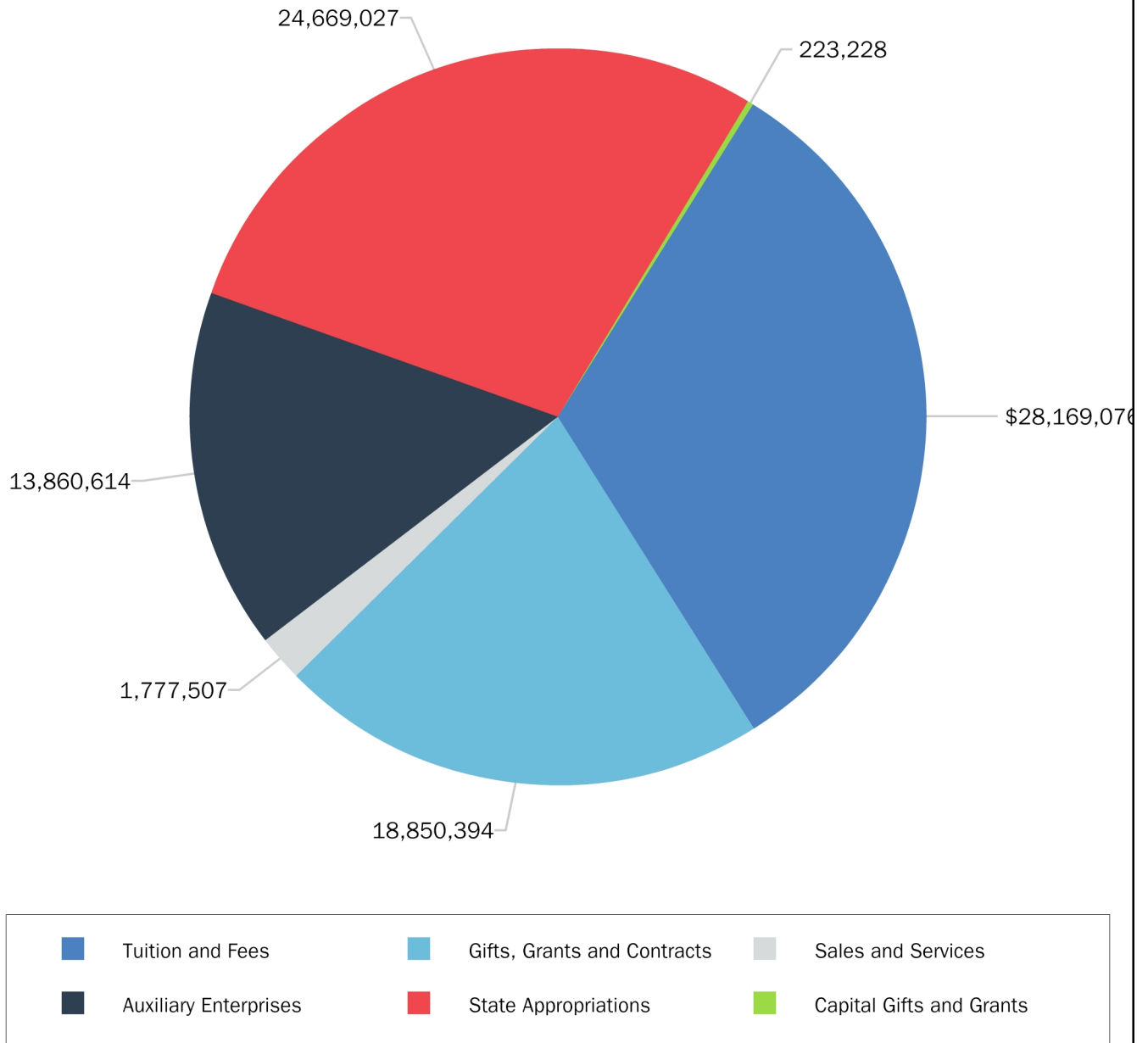
For the years ended June 30, 2017 and June 30, 2016, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 28,169,076	\$ 25,976,400	\$ 2,192,676	8.44 %
Federal Appropriations	—	—	—	0.00 %
Grants and Contracts	1,478,826	1,578,562	(99,736)	-6.32 %
Sales and Services	1,777,507	1,924,232	(146,725)	-7.63 %
Auxiliary Enterprises	13,860,614	14,271,879	(411,265)	-2.88 %
Other Operating Revenues	930,192	568,488	361,704	63.63 %
Total Operating Revenues	46,216,215	44,319,561	1,896,654	4.28 %
State Appropriations	24,669,027	25,511,940	(842,913)	-3.30 %
Grants and Contracts	17,161,215	17,721,496	(560,281)	-3.16 %
Gifts	210,353	983,129	(772,776)	-78.60 %
Investment Income	148,924	33,518	115,406	344.31 %
Other Nonoperating Revenues	(3,049,584)	(111,510)	(2,938,074)	2,634.81 %
Total Nonoperating Revenues	39,139,935	44,138,573	(4,998,638)	(11.32)%
State Capital Gifts and Grants	223,228	25,367,915	(25,144,687)	-99.12 %
Other Capital Gifts and Grants	—	—	—	0.00 %
Total Capital Gifts and Grants	223,228	25,367,915	(25,144,687)	(99.12)%
Additions to Permanent and Term Endowments	—	—	—	0.00 %
Special Items	—	—	—	0.00 %
Extraordinary Items	—	—	—	0.00 %
Total Revenues	\$ 85,579,378	\$ 113,826,049	\$ (28,246,671)	(24.82)%

State appropriations decreased \$842,913 (3.3%) in fiscal 2017. Grants and contracts revenue decreased \$560,281 in fiscal 2017. Tuition and fee revenues, net increased \$2,192,676 (8.44%) in fiscal 2017 when compared with fiscal 2016 due tuition and fee increases across the USG institutions as approved by the Board of Regents of the University System of Georgia.

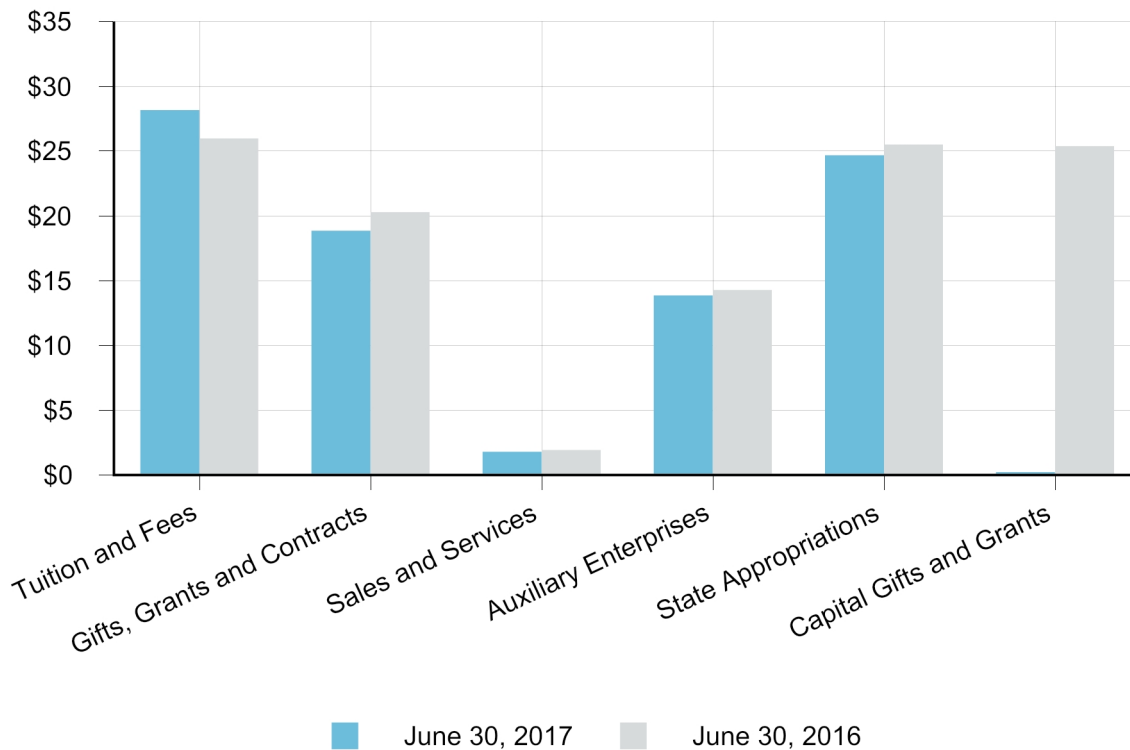
Revenue by source is depicted by the following chart:

Revenue by Major Source



Revenue by major source for the years ended June 30, 2017 and June 30, 2016 is depicted by the following chart:

Revenue Source by Major Source (in millions)



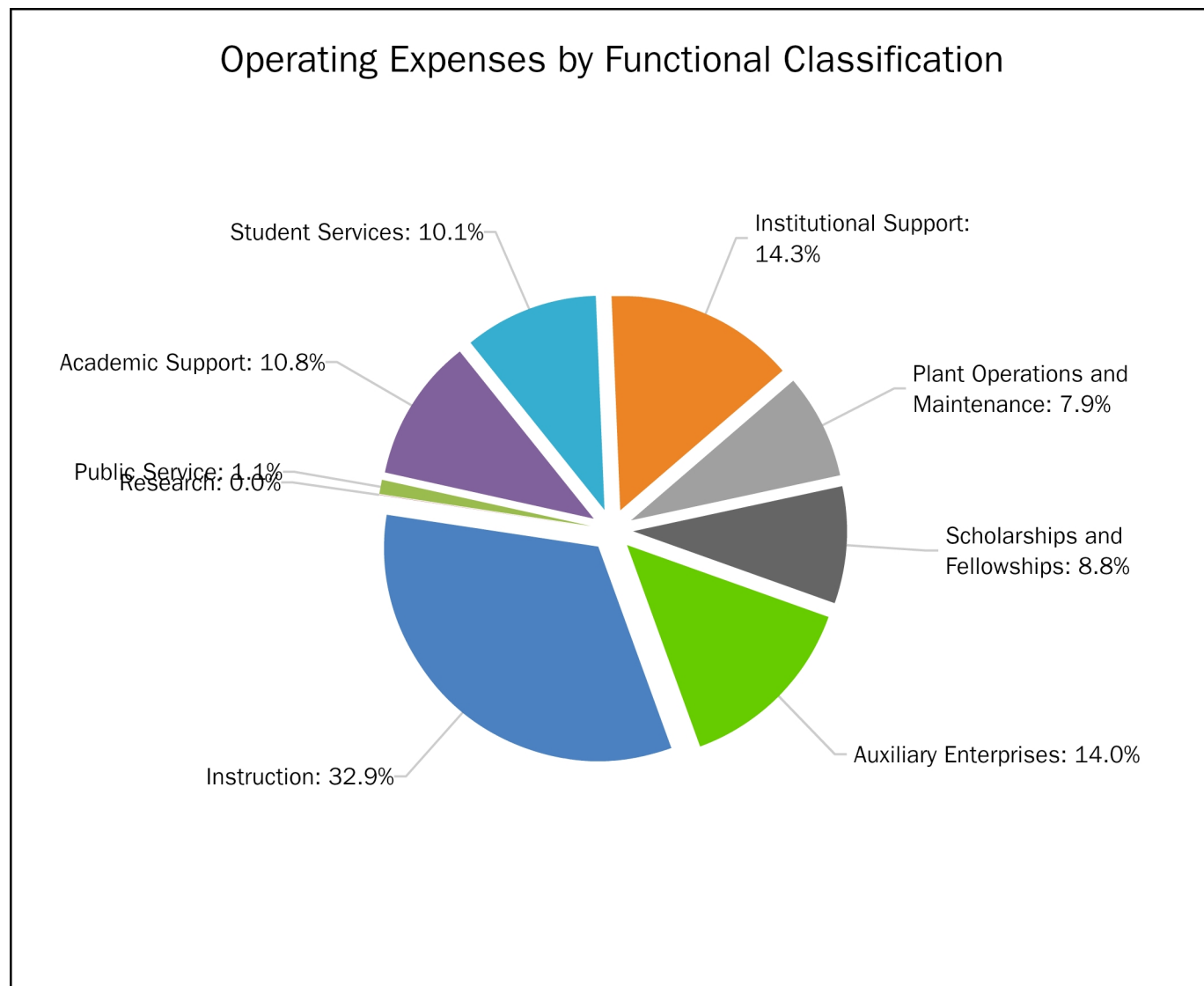
Expenses

For the years ended June 30, 2017 and June 30, 2016, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
Instruction	28,877,142	28,955,773	(78,631)	-0.27 %
Research	20,656	22,582	(1,926)	-8.53 %
Public Service	930,556	855,551	75,005	8.77 %
Academic Support	9,454,524	9,478,633	(24,109)	-0.25 %
Student Services	8,871,673	9,187,388	(315,715)	-3.44 %
Institutional Support	12,583,641	9,614,954	2,968,687	30.88 %
Plant Operations and Maintenance	6,946,549	10,937,218	(3,990,669)	-36.49 %
Scholarships and Fellowships	7,741,972	8,258,888	(516,916)	-6.26 %
Auxiliary Enterprises	12,274,381	12,419,071	(144,690)	-1.17 %
Patient Care	—	—	—	0.00 %
Unallocated Expenses	—	—	—	0.00 %
Total Operating Expenses	87,701,094	89,730,058	(2,028,964)	(2.26)%
Interest Expense	4,229,400	3,659,489	569,911	15.57 %
Total Nonoperating Expenses	25,754,187	25,688,288	65,899	0.26 %
Total Expenses	113,455,281	115,418,346	(1,963,065)	(1.70)%

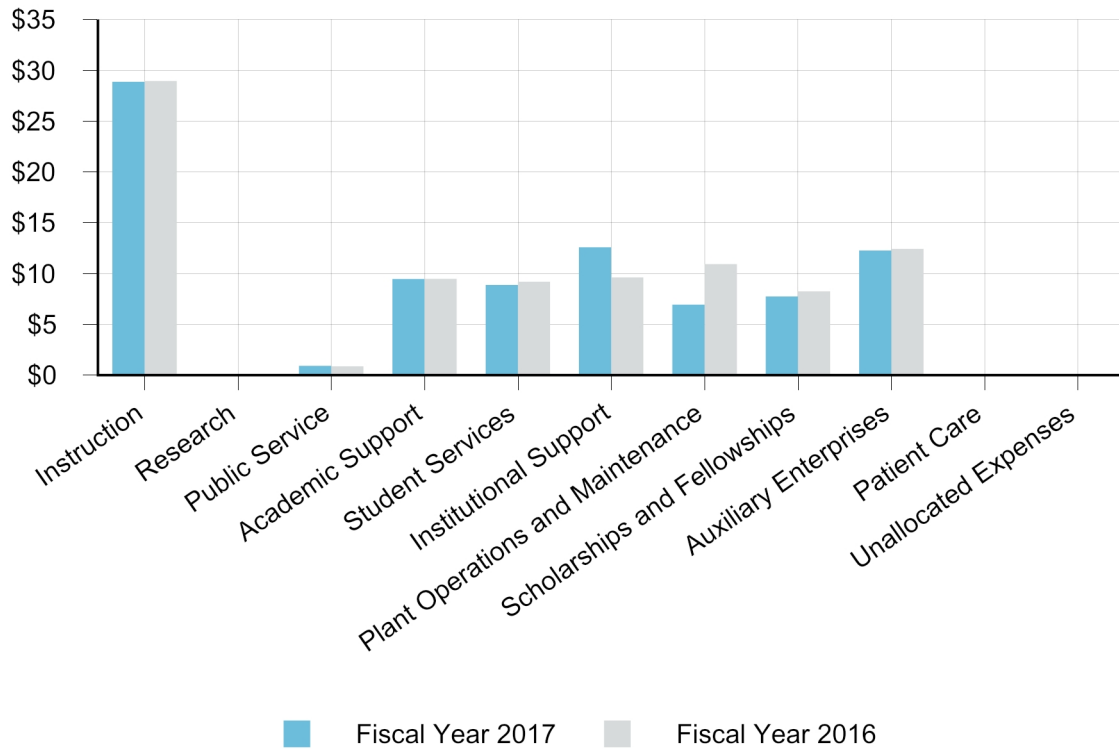
Total operating expenses were \$88,074,732 in fiscal 2017, an decrease of \$1,655,326 (2%) when compared with fiscal 2016. These decreases are primarily attributable to the following functional classifications ; Student Services (\$432,715); and Scholarships and Fellowships (\$516,916) and Plant Operations (\$3,865,198).

The following chart depicts the fiscal 2016 operating expenses by functional classification.



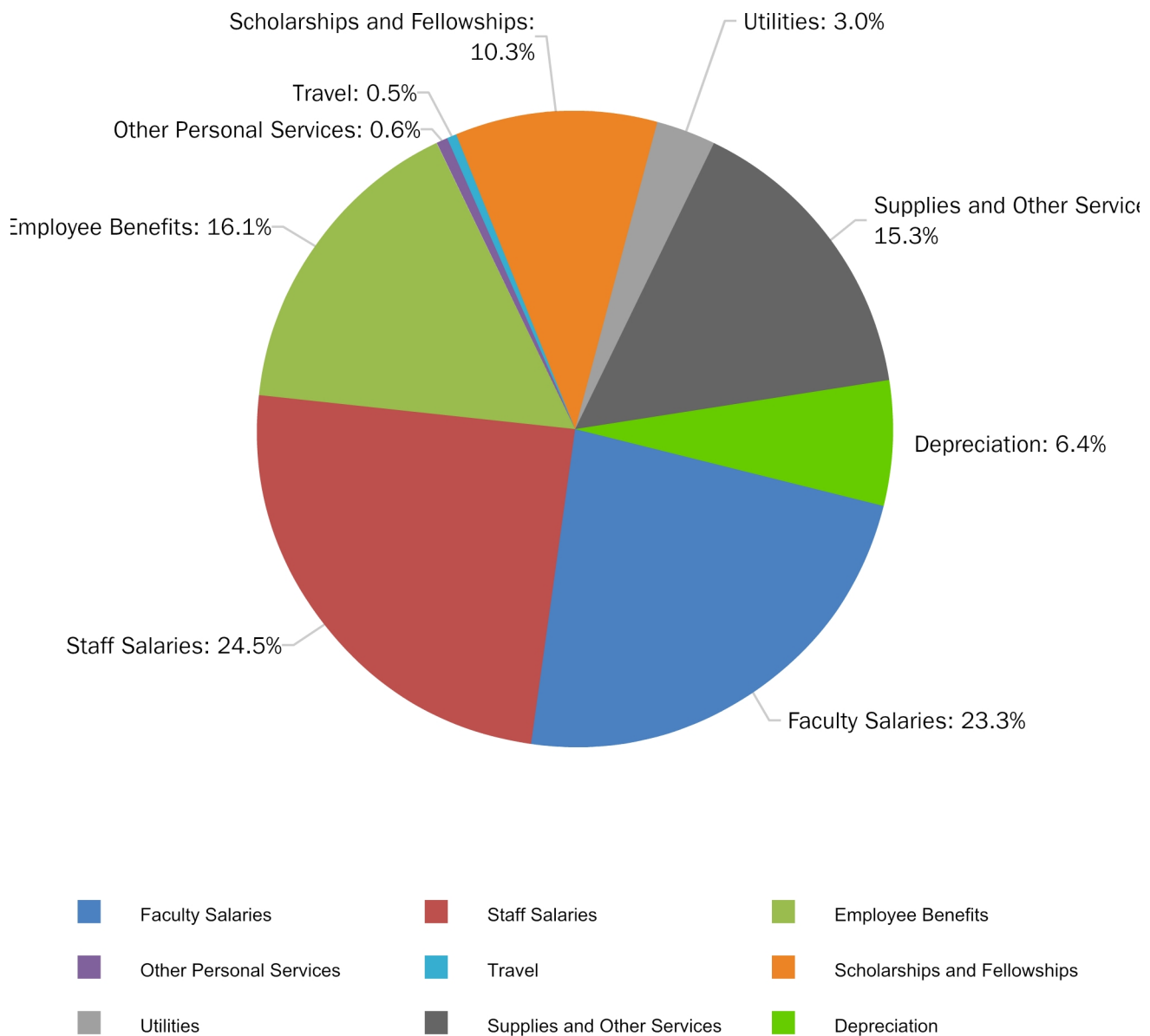
Operating expenses by by functional classification for the years ended June 30, 2017 and June 30, 2016 is depicted by the following chart:

Operating Expenses by Functional Classification (in millions)



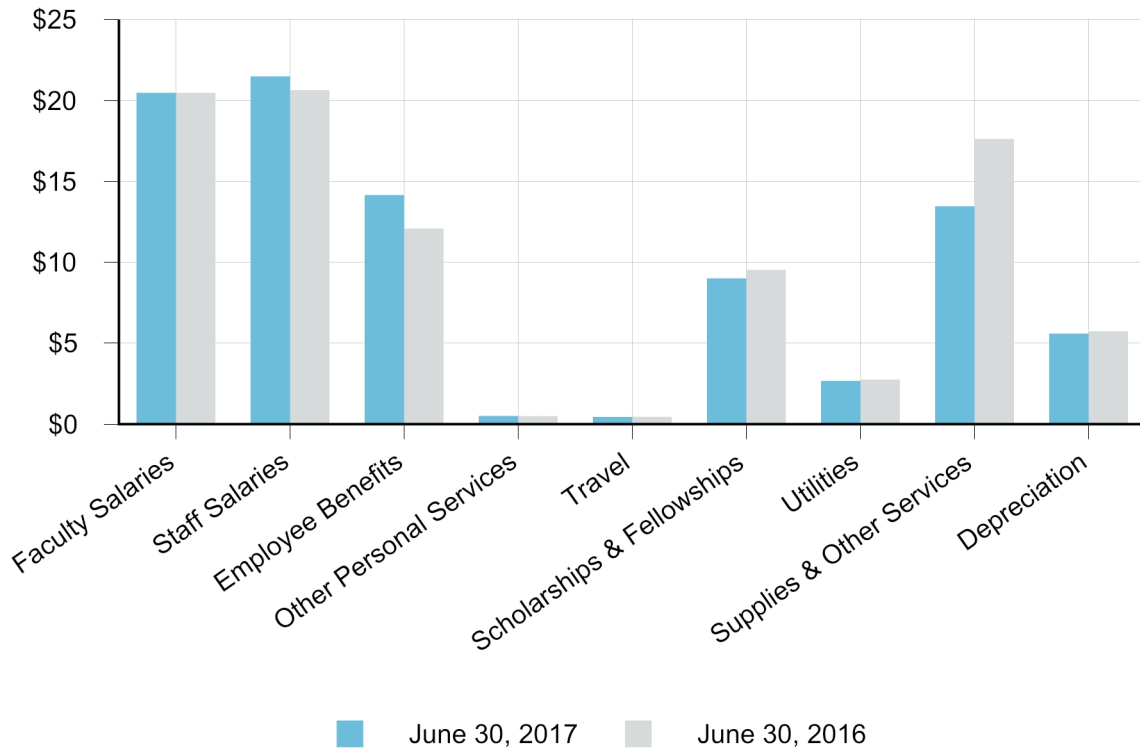
The following chart depicts the fiscal 2016 operating expenses by natural classification.

Operating Expenses by Natural Classification



Operating expenses by natural classification for the years ended June 30, 2017 and June 30, 2016 is depicted by the following chart:

Operating Expenses by Natural Classification (in millions)



Statement of Cash Flows

The final statement presented by the Clayton State University is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Institution during the year. Cash flow information can be used to evaluate the financial viability of the Institution'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 Institution. 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, 2017 and 2016, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS			June 30, 2017	June 30, 2016
Cash Provided (Used) by:				
Operating Activities	\$	(35,410,978)	\$	(41,282,172)
Non-Capital Financing Activities		38,556,520		44,636,584
Capital and Related Financing Activities		(4,379,765)		(3,451,172)
Investing Activities		1,336,771		2,169
NET CHANGE IN CASH	\$	102,548	\$	(94,591)
Cash, beginning of year (restated)		6,300,021		6,394,612
CASH, end of year	\$	6,402,569	\$	6,300,021

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2017 and June 30, 2016 were as follows:

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2017	June 30, 2016	Increase (Decrease)	% Change
Land	\$ 2,416,732	\$ 2,416,732	\$ —	0.00 %
Capitalized Collections	—	—	—	0.00 %
Construction Work-in-Progress	—	1,355,977	(1,355,977)	-100.00 %
Software Development-in-Progress	—	—	—	0.00 %
Infrastructure	—	—	—	0.00 %
Building and Building Improvements	123,844,086	127,040,452	(3,196,366)	-2.52 %
Facilities and Other Improvements	61,756	65,316	(3,560)	-5.45 %
Equipment	2,077,215	4,104,704	(2,027,489)	-49.39 %
Capital Leases	—	—	—	0.00 %
Library Collections	2,072,139	2,108,164	(36,025)	-1.71 %
Capitalized Collections	—	—	—	0.00 %
Water, Timber, Mineral Rights, and Easements	—	—	—	0.00 %
Patents, Trademarks, and Copyrights	—	—	—	0.00 %
Software	—	—	—	0.00 %
Capital Assets, net of accumulated depreciation	\$ 130,471,928	\$ 137,091,345	\$ (6,619,417)	(4.83) %

The University had one significant capital asset addition, for facilities in fiscal year 2017. Clayton State University entered into a capital lease agreement, with the Clayton State University Foundation LLC 3, for use of the Woodlands Hall and Arbor Hall buildings.

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

Long Term Liabilities

Clayton State University had Long-Term Liabilities of \$115,880,616 of which \$2,720,467 was reflected as current liability at June 30, 2017.

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

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

Economic Outlook

The University is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations. The University continues to operate from a sound financial base. Looking forward, enrollment expectations for the coming fiscal year are uncertain. The resulting revenue impact may present operating challenges, should enrollment dip below expectations. The University has begun evaluation of potential measures for future cost containment to ensure an ongoing stable financial position.

FINANCIAL STATEMENTS



CLAYTON STATE UNIVERSITY

CLAYTON STATE UNIVERSITY

STATEMENT OF NET POSITION

JUNE 30, 2017

Clayton State University

ASSETS

Current Assets

Cash and Cash Equivalents	\$	6,402,569
Short-term Investments		
Accounts Receivable, net		
Federal Financial Assistance		786,220
State General Appropriations		—
Margin Allocation Funds		—
Affiliated Organizations		1,843,822
Component Units		—
Primary Government		—
Other		4,788,761
Notes Receivable, net		—
Due From Other Funds		—
Investment in Capital Leases - Primary Government		—
Investment in Capital Leases - Other		—
Inventories		772,311
Prepaid Items		183,066
Other Assets		—
Total Current Assets		14,776,749

Non-Current Assets

Cash and Cash Equivalents		—
Accounts Receivable, net		—
Affiliated Organizations		—
Component Units		—
Primary Government		—
Due From USO - Capital Liability Reserve Fund		578,205
Due From Institution - Capital Liability Reserve Fund		—
Pledges & Contributions		—
Other		—
Investments		—
Notes Receivable, net		6,188
Due From Other Funds		—
Investment in Capital Leases - Primary Government		—
Investment in Capital Leases - Other		—
Other Assets		—
Non-current Cash (Externally Restricted)		—
Short-term Investments (Externally Restricted)		—
Investments (Externally Restricted)		—
Capital Assets, net		130,471,928
Total Non-Current Assets		131,056,321
TOTAL ASSETS		145,833,070

DEFERRED OUTFLOWS OF RESOURCES

Deferred Loss on Debt Refunding		—
Deferred Loss on Defined Benefit Pension Plan		8,601,183
Accumulated Decrease in Fair Value of Hedging Instruments		—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	8,601,183

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

CLAYTON STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2017

Clayton State University

LIABILITIES

Current Liabilities

Accounts Payable	\$	1,794,995
Salaries Payable		339,226
Benefits Payable		89,524
Contracts Payable		—
Retainage Payable		—
Due to Affiliated Organizations		155,269
Due to Component Units		—
Due to Primary Government		—
Due to Other Funds		—
Due to USO - Capital Liability Reserve Fund		—
Advances (Including Tuition and Fees)		1,728,330
Deposits		37,796
Deposits Held for Other Organizations		593,321
Other Liabilities		7,017
Notes and Loans Payable		—
Lease Purchase Obligations - External		—
Lease Purchase Obligations - Component Units		1,352,557
Revenue Bonds & Notes Payable		—
Liabilities Under Split Interest Agreements		—
Interest Rate Swap		—
Pollution Remediation		—
Claims & Judgments		—
Compensated Absences		1,367,910
Total Current Liabilities		<u>7,465,945</u>

Non-Current Liabilities

Due to Affiliated Organizations		—
Due to Component Units		—
Due to Primary Government		—
Due to Other Funds		—
Due to USO - Capital Liability Reserve Fund		—
Due to USO - Capital Liability Reserve Fund		—
Advances (Including Tuition and Fees)		—
Other Liabilities		—
Notes and Loans Payable		—
Lease Purchase Obligations - External		—
Lease Purchase Obligations - Component Units		77,616,325
Revenue Bonds & Notes Payable		—
Liabilities Under Split Interest Agreements		—
Interest Rate Swap		—
Pollution Remediation		—
Claims & Judgments		—
Compensated Absences		801,960
Other Post Employment Benefits Obligation		—
Net Pension Liability		34,741,864
Total Non-Current Liabilities		<u>113,160,149</u>
TOTAL LIABILITIES		<u>120,626,094</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Gain on Debt Refunding		—
---------------------------------	--	---

Deferred Funds Received in Advance of Timing Requirements	—
Deferred Service Concession Arrangements	—
Deferred Gain on Defined Benefit Pension Plan	1,009,664
Accumulated Increase in Fair Value of Hedging Instruments	—
TOTAL DEFERRED INFLOWS OF RESOURCES	1,009,664
NET POSITION	
Net Investment in Capital Assets	51,503,046
Restricted for:	
Nonexpendable	1,647,959
Expendable	8,835
Unrestricted	(20,361,345)
TOTAL NET POSITION	\$ 32,798,495

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

CLAYTON STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Clayton State University
OPERATING REVENUES	
Student Tuition and Fees (net)	\$ 28,169,076
Federal Appropriations	—
Grants and Contracts	
Federal	1,231,749
State	94,429
Other	152,648
Sales and Services	1,777,507
Rents and Royalties	69,987
Auxiliary Enterprises	
Residence Halls	6,808,193
Bookstore	2,850,606
Food Services	295,845
Parking/Transportation	521,172
Health Services	705,054
Intercollegiate Athletics	2,335,205
Other Organizations	344,539
Gifts and Contributions	—
Endowment Income	—
Other Operating Revenues	860,205
Total Operating Revenues	46,216,215
OPERATING EXPENSES	
Faculty Salaries	20,456,548
Staff Salaries	21,478,212
Employee Benefits	14,141,367
Other Personal Services	502,099
Travel	435,697
Scholarships and Fellowships	9,000,045
Utilities	2,661,560
Supplies and Other Services	13,447,383
Depreciation	5,578,183
Total Operating Expenses	87,701,094
Operating Income (Loss)	\$ (41,484,879)

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

CLAYTON STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2017

	Clayton State University
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	\$ 24,669,027
Grants and Contracts	
Federal	16,638,617
State	—
Other	522,598
Gifts	210,353
Investment Income	148,924
Interest Expense	(4,229,400)
Other Nonoperating Revenues (Expenses)	(3,049,584)
	<hr/>
Net Nonoperating Revenues	34,910,535
	<hr/>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(6,574,344)
	<hr/>
Capital Grants and Gifts	
Federal	—
State	223,228
Other	—
Additions to Permanent and Term Endowments	—
Special Item	—
Extraordinary Item	—
	<hr/>
Total Other Revenues, Expenses, Gains or Losses	223,228
	<hr/>
Change in Net Position	(6,351,116)
	<hr/>
Net Position, Beginning of Year, As Originally Reported	43,018,104
Prior Year Adjustments	(3,868,493)
Net Position, Beginning of Year, Restated	39,149,611
	<hr/>
Net Position-End of Year	\$ 32,798,495
	<hr/> <hr/>

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

CLAYTON STATE UNIVERSITY

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2017

	Clayton State University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 43,090,330
Federal Appropriations	—
Grants and Contracts (Exchange)	2,126,509
Payments to Suppliers	(29,481,988)
Payments to Employees	(42,186,801)
Payments for Scholarships and Fellowships	(9,000,045)
Loans Issued to Students	—
Collection of Loans from Students	51,252
Other Receipts	—
Other Payments	(10,235)
Net Cash Used by Operating Activities	(35,410,978)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	24,669,027
Agency Funds Transactions - Receipts	90,846,549
Agency Funds Transactions - Disbursements	(91,791,404)
Gifts and Grants Received for Other Than Capital Purposes	16,636,731
Transfer of Endowments to Affiliated Organization	(1,800,840)
Other Noncapital Financing Receipts	—
Other Noncapital Financing Payments	(3,543)
Net Cash Flows Provided by Non-capital Financing Activities	38,556,520
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	1,835,725
Proceeds from Sale of Capital Assets	—
Purchases of Capital Assets	(1,239,575)
Principal Paid on Capital Debt and Leases	(1,043,602)
Interest Paid on Capital Debt and Leases	(3,932,313)
Net Cash Used by Capital and Related Financing Activities	(4,379,765)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,333,273
Investment Income	3,498
Purchase of Investments	—
Net Cash Provided by Investing Activities	1,336,771
Net Increase in Cash and Cash Equivalents	102,548
Cash and Cash Equivalents, Beginning of year	6,300,021
Cash and Cash Equivalents - End of Year	\$ 6,402,569

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

CLAYTON STATE UNIVERSITY

STATEMENT OF CASH FLOWS

JUNE 30, 2017

Clayton State University

RECONCILIATION OF OPERATING LOSS TO

NET CASH USED BY OPERATING ACTIVITIES:

Operating Loss	\$ (41,484,879)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	5,578,183
Operating Expenses Related to Noncash Gifts	
Change in Assets and Liabilities:	
Receivables, net	(1,010,213)
Inventories	381,319
Prepaid Items	16,439
Other Assets	—
Notes Receivable, Net	51,252
Accounts Payable	536,474
Salaries Payable	146,698
Benefits Payable	(1,535)
Contracts Payable	
Retainage Payable	
Deposits	31,137
Advances (Including Tuition & Fees)	(643,802)
Other Liabilities	31,802
Funds Held for Others	(10,235)
Compensated Absences	4,906
Due to Affiliated Organizations	155,269
Pollution Remediation	
Claims and Judgments	
Net Pension Liability	8,325,821
Other Post-Employment Benefit Liability	—
Change in Deferred inflows/outflows of resources:	
Deferred Inflows of Resources	(1,646,174)
Deferred Outflows of Resources	(5,873,440)
Net Cash Used by Operating Activities	\$ (35,410,978)

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

RELATED FINANCING TRANSACTIONS

Non-capital Financing Activities Accounts Receivable, Net of Allowances	\$ —
Recognition of Non-capital Financing Activities Advances and Deferred Inflows	\$ —
New Noncapital Financing Debt	\$ —
Increase in Noncapital Debt Related to Capitalized Interest	\$ —
Adjustments to Noncapital Debt Beginning Balance Ran Through Current Year Activity	\$ —
Edit Description Other Non-capital Financing Activities Noncash Items	\$ —
Edit Description Other Non-capital Financing Activities Noncash Items	\$ —
Edit Description Other Non-capital Financing Activities Noncash Items	\$ —
Capital Financing Activities Accounts Receivable Accrual, Net of Allowances	\$ —
Gift of Capital Assets	\$ —
Loss on Disposal of Capital Assets	\$ —
Adjustments to Capital Asset Beginning Balance Ran Through Current Year Activity	\$ —
Accrual of Capital Asset Related Payables	\$ —
Capital Assets Acquired by Incurring Capital Lease Obligations	\$ (4,500,000)
Gain/Loss on Capital Debt Refunded	\$ —
Increase in Capital Debt due to Capitalized Interest	\$ —

Extinguishment of Capital Debt	\$ —
Adjustments to Capital Debt Beginning Balance Ran Through Current Year Activity	\$ —
Recognition of Capital Financing Activities Advances and Deferred Inflows	\$ —
Amortization of Deferred Gain/Loss of Capital Debt Refunded	\$ —
Accrual of Capital Financing Interest Payable	\$ (297,087)
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Unrealized Gain/Loss on Investments	\$ 145,426
Gift of Investments	\$ —
Edit Description Other Investing Activities Noncash Items	\$ —
Edit Description Other Investing Activities Noncash Items	\$ —
Edit Description Other Investing Activities Noncash Items	\$ —

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

NOTES TO THE FINANCIAL STATEMENTS



CLAYTON STATE UNIVERSITY

CLAYTON STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, the Institution 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 Comprehensive Annual Financial Report (CAFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the University. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2017, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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 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.

New Accounting Pronouncements

For fiscal year 2017, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 82, Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73. This Statement addresses accounting and financial reporting issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

For fiscal year 2017, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 80, Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The adoption of this Statement does not have a significant impact on the University's financial statements.

For fiscal year 2017, the University adopted GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. The adoption of this Statement does not have a significant impact on the University's financial statements.

For fiscal year 2017, the University adopted GASB Statement No. 77, Tax Abatement Disclosures. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The adoption of this Statement does not have a significant impact on the University's financial statements.

For fiscal year 2017, the University adopted GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution other postemployment benefit (OPEB) plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions. The adoption of this Statement does not have a significant impact on the University's financial statements.

Future Accounting Pronouncements

In fiscal year 2018, the University will adopt Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions. The provisions of this Statement establish accounting and financial reporting standards for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. Implementation of this Statement will require the University to record a liability for its proportionate share of the OPEB Liability of plans in which it participates. Actuarial estimates are currently being made to determine the University's liability, the effects of which are believed to be material.

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 (Ga Fund 1) and the Board of Regents Short-Term Investment Pool.

Accounts Receivable

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

Inventories

Consumable supplies are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis. Resale inventories are valued at cost using 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, 2017 are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and/or significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

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

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

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 Institution'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 assets by an institution that are applicable to a future reporting period.

Deposits

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

Advances

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

Deposits Held for Other Organizations

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

Deferred inflows of resources consist of the acquisition of net assets by an institution that are applicable to a future reporting period.

Pensions and Net Pension Liability

The net pension liability represents the unfunded pension liability which is 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 fiduciary net position, additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by Teachers' Retirement System of Georgia and Employees' Retirement System of Georgia. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The University's net position is classified as follows:

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

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

Restricted - expendable net position includes resources in which the 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 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 non-operating 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.
- Non-operating 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 No. 9, Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB No. 34, such as state appropriations and investment income.
- Operating expense includes activities that have the characteristics of exchange transactions.
- Non-operating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported at gross with a contra revenue account of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Position. 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 and fees and other student charges, the University has recorded contra revenue for scholarship allowances. Student tuition and fees and auxiliary revenues reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$8,693,847.

Restatement of Prior Year Net Position

The University made the following restatements:

	Business-type Activities	Pension and Other Post- Employment Benefit Trust Funds	Discretely Presented Component Units
Net position, beginning of year, as originally reported	\$ 43,018,104	\$ —	\$ —
Changes in financial reporting entity	—	—	—
Changes in accounting principles	—	—	—
Correction of prior year errors	(3,868,493)	—	—
Net position, beginning of year, restated	<u>\$ 39,149,611</u>	<u>\$ —</u>	<u>\$ —</u>

Correction of Prior Year Errors

Amounts reported at June 30, 2016 for capital assets were overstated by \$3,868,493. For fiscal year 2017, beginning net position for business-type activities was adjusted \$3,868,493 to reflect correction of prior year amounts.

Note 2 Deposits

Cash and cash equivalents and investments as of June 30, 2017 are classified in the accompanying statement of net position as follows:

Cash & Cash Equivalents	\$	6,402,569
Short-Term Investments		—
Investments		—
Non Current - Cash		—
Non Current - Investments		—
Cash (Externally Restricted)		—
Short Term Investments (Externally Restricted)		—
Investments (Externally Restricted)		—
	\$	<u>6,402,569</u>

Cash on hand, deposits as of June 30, 2017 consist of the following:

Cash on Hand	\$	8,782
Deposits with Financial Institutions		5,741,759
Investments		652,028
Pooled Assets Held on Behalf of Component Units		—
	\$	<u>6,402,569</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 Section 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. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation. The Treasurer of the Board of Regents is responsible for all details relative to furnishing the required depository protection for all units of the University System of Georgia.

At June 30, 2017, the bank balances of the University's deposits totaled \$6,940,287. Of these deposits, \$0 were exposed to custodial credit risk as follows:

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

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

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

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

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

The following table summarizes the valuation of the University's investments measured at fair value on a recurring basis and at net asset value as of June 30, 2017.

	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investment type:				
Debt Securities				
U.S. Treasuries	\$ —			
U.S. Agencies				
Explicitly Guaranteed	—			
Implicitly Guaranteed	—			
Bond Securities	—			
Corporate Debt	—			
General Obligation Bonds	—			
Money Market Mutual Funds	—			
Municipal Obligations	—			
Mutual Bond Funds	—			
Repurchase Agreements	—			
Other Investments	—			
Cash Surrender Value	—			
Equity Mutual Funds - Domestic	—			
Equity Mutual Funds - International	—			
Equity Securities - Domestic	—			
Equity Securities - International	—			
Real Estate Held for Investment Purposes	—			
Real Estate Investment Trusts	—			
Other	—			
	—	\$ —	\$ —	\$ —
Investment Pools				
Board of Regents				
Short-Term Fund	295,537			
Legal Fund				
Balanced Income Fund				
Total Return Fund				
Diversified Fund				
Diversified Fund for Foundations				
Office of the State Treasurer				
Georgia Fund 1	356,491			
Georgia Extended Asset Pool				
Total Investments	\$ 652,028			

Investment Pools

The Board of Regents Investment Pool is not registered with the Securities and Exchange Commission as an investment company. The fair value of investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. Participation in the Board of Regents Investment Pool is voluntary. The Board of Regents Investment Pool is not rated. Additional information on the Board of Regents Investment Pool is disclosed in the audited Financial Statements of the University System of Georgia. This audit can be obtained from the Georgia Department of Audits - Education Audit Division or on their web site at <http://www.audits.ga.gov>.

The Effective Duration of the Short Term Fund is 0.429 years. Of the University's total investment in the Short Term Fund, 100% is invested in debt securities.

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company, and the State does not consider Georgia Fund 1 to be a 2a7-like pool. This investment is valued at the pool's share price, \$1 per share. The Georgia Fund 1 Investment Pool is an AAAf rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 26 days.

	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
U.S. Treasuries	\$ —					
U.S. Agencies						
Explicitly Guaranteed	—					
Implicitly Guaranteed	—					
Bond Securities	—					
Corporate Debt	—					
General Obligation Bonds	—					
Money Market Mutual Funds	—					
Municipal Obligations	—					
Mutual Bond Funds	—					
Repurchase Agreements	—					
	—	\$ —	\$ —	\$ —	\$ —	\$ —
Other Investments						
Cash Surrender Value						
Equity Mutual Funds - Domestic						
Equity Mutual Funds - International						
Equity Securities - Domestic						
Equity Securities - International						
Real Estate Held for Investment Purposes						
Real Estate Investment Trusts						
Other						
Investment Pools						
Board of Regents						
Short-Term Fund	295,537					
Legal Fund						
Balanced Income Fund						
Total Return Fund						
Diversified Fund						
Diversified Fund For Foundations						
Office of the State Treasurer						
Georgia Fund 1	356,491					
Georgia Extended Asset Pool						
Total Investments	\$ 652,028					

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2017:

Student Tuition and Fees	\$	1,973,976
Auxiliary Enterprises and Other Operating Activities		1,157,998
Federal Financial Assistance		786,220
State General Appropriations Allotment		
Georgia Student Finance Commission		
Georgia State Financing and Investment Commission		325,813
Margin Allocation Funds		
Due from Affiliated Organizations		1,843,822
Due from Component Units		
Due From Other USG Institutions		578,205
Other		1,987,019
		<hr/> 8,653,053
Less: Allowance for Doubtful Accounts		<hr/> 656,045
Net Accounts Receivable	\$	<hr/> <hr/> 7,997,008

Note 4 Inventories

Inventories consisted of the following at June 30, 2017:

Consumable Supplies	
Merchandise for Resale	<hr/> 772,311
Total	<hr/> <hr/> \$ 772,311

Note 5 Notes and Loans Receivable

As of June 30th, 2017, Clayton State University had \$6,188 outstanding Notes/Loan Receivables.

Note 6 Capital Assets

Changes in capital assets for the year ended June 30, 2017 are shown below:

	(Restated) Beginning Balances July 1, 2016	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2017
Capital Assets, Not Being Depreciated:					
Land	\$ 2,416,732				\$ 2,416,732
Capitalized Collections	—				—
Construction Work-in-Progress	—		—		—
Software Development-in-Progress	—				—
Total Capital Assets Not Being Depreciated	2,416,732	—	—	—	2,416,732
Capital Assets, Being Depreciated/Amortized:					
Infrastructure	—				—
Building and Building Improvements	180,909,720		4,851,183	3,749,499	182,011,404
Facilities and Other Improvements	145,440		5,001		150,441
Equipment	8,801,989		526,204	51,050	9,277,143
Capital Leases (Do Not Use)	—				—
Library Collections	8,557,732		357,187	3,236	8,911,683
Capitalized Collections	—				—
Water, Timber, Mineral Rights, and Easements	—				—
Patents, Trademarks, and Copyrights	—				—
Software	—				—
Total Capital Assets Being Depreciated/Amortized	198,414,881	—	5,739,575	3,803,785	200,350,671
Less: Accumulated Depreciation/Amortization					
Infrastructure	—				—
Building and Building Improvements	54,443,795		4,550,647	827,124	58,167,318
Facilities and Other Improvements	80,124		8,561		88,685
Equipment	6,635,274		625,764	61,110	7,199,928
Capital Leases (Do Not Use)	—		—		—
Library Collections	6,449,568		393,211	3,235	6,839,544
Capitalized Collections	—				—
Water, Timber, Mineral Rights, and Easements	—				—
Patents, Trademarks, and Copyrights	—				—
Software	—				—
Total Accumulated Depreciation/Amortization	67,608,761	—	5,578,183	891,469	72,295,475
Total Capital Assets, Being Depreciated/Amortized, Net	130,806,120	—	161,392	2,912,316	128,055,196
Capital Assets, net	\$ 133,222,852	\$ —	\$ 161,392	\$ 2,912,316	\$ 130,471,928

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. As of June 30, 2017, GSFIC had construction-in-progress of approximately \$954,047 for incomplete GSFIC managed projects for the University.

For the year ended June 30, 2017, GSFIC did not transfer any capital additions to the University related to GSFIC managed projects.

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

Fiscal Year	Depreciation Expense
2017	\$ 5,578,183
2016	\$ 5,737,770
2015	\$ 5,586,961

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2017:

	Current Liabilities	Non-Current Liabilities
Prepaid Tuition and Fees	\$ 1,521,583	
Research	49,030	
Other - Advances	157,717	
Totals	<u>\$ 1,728,330</u>	<u>\$ —</u>

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2017 was as follows:

	Beginning Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Current Portion
Lease Purchase Obligations	\$ 75,512,484	\$ 4,500,000	\$ 1,043,602	\$ 78,968,882	\$ 1,352,557
Other Liabilities					
Compensated Absences	2,164,964	1,914,754	1,909,848	2,169,870	1,367,910
Net Pension Liability	26,416,043	8,325,821		34,741,864	
Notes and Loans Payable	—			—	
Claims and Judgments	—			—	
Other Post Employment Benefits Obligation	—			—	
Pollution Remediation	—			—	
Total	<u>28,581,007</u>	<u>10,240,575</u>	<u>1,909,848</u>	<u>36,911,734</u>	<u>1,367,910</u>
Total Long-Term Obligations	<u>\$ 104,093,491</u>	<u>\$ 14,740,575</u>	<u>\$ 2,953,450</u>	<u>\$ 115,880,616</u>	<u>\$ 2,720,467</u>

Note 9 Service Concessions Arrangements

At June 30, 2017, the University had no service concession arrangements that met the materiality threshold for discrete financial reporting.

Note 10 Net Position

The breakdown of business type activity net position for the University fund at June 30, 2017 is as follows:

NET POSITION

Net Investment in Capital Assets	\$ 51,503,046
Restricted for	
Nonexpendable	
Permanent Endowment	1,647,959
Expendable	
Sponsored and Other Organized Activities	1,500
Federal Loans	7,335
Institutional Loans	—
Term Endowments	—
Quasi-Endowments	—
Capital Projects	—
Sub-Total	8,835
Unrestricted	
Auxiliary Enterprises Operations	1,392,445
Auxiliary Enterprises Renewals & Replacement Reserve	504,474
Reserve for Encumbrances	2,902,068
Reserve for Inventory	—
Capital Liability Reserve Fund	578,205
Health Insurance Reserve	—
Other Unrestricted	(25,738,537)
Sub-Total	(20,361,345)
Total Net Position	\$ 32,798,495

Changes in Net Position for the year ended June 30, 2017 are as follows:

	(Restated) Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
Net Investments in Capital Assets	\$ 57,710,368	\$ 6,783,177	\$ 12,990,499	\$ 51,503,046
Restricted Net Position	1,552,993	18,863,269	18,759,468	1,656,794
Unrestricted Net Position	(20,113,750)	69,765,693	70,013,288	(20,361,345)
Total Net Position	\$ 39,149,611	\$ 95,412,139	\$ 101,763,255	\$ 32,798,495

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 for the endowment accounts was \$147,404 and is reflected as expendable restricted net position.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2017. In addition to these encumbrances, the University had no other significant unearned outstanding construction or renovation contracts executed as of June 30, 2017.

Note 13 Leases

Lease Obligations

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

Capital Leases

The University acquires certain real property and equipment through multi-year capital leases with varying terms and options. In accordance with O.C.G.A 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the 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 expenditures related to capital leases for fiscal year 2017 were \$990,057 and \$3,912,886, respectively. Interest rates range from 4.795% to 4.83%.

The following is a summary of the carrying values of assets held under capital lease at June 30, 2017:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Capital Lease at June 30, 2017	Outstanding Balances per Lease Schedules at June 30, 2017
	(+)	(-)	(=)	
Leased Land & Land Improvements			\$ —	
Leased Work In-progress			—	
Leased Infrastructure			—	
Leased Equipment			—	
Leased Buildings & Building Improvements	80,588,876	19,453,751	61,135,125	78,968,882
Leased Facilities and Other Improvements			—	
Total Assets Held Under Capital Lease	<u>\$ 80,588,876</u>	<u>\$ 19,453,751</u>	<u>\$ 61,135,125</u>	<u>\$ 78,968,882</u>

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

	Real Property and Equipment	
	Capital Leases	Operating Leases
Year Ending June 30:		
2018	\$ 5,520,464	\$ 283,777
2019	5,647,663	
2020	5,777,757	
2021	5,855,331	
2022	5,938,001	
2023 through 2027	31,020,027	
2028 through 2032	32,895,134	
2033 through 2037	33,952,041	
2038 through 2042	17,078,596	
2043 through 2047	—	
2048 through 2052	—	
2053 through 2057	—	
Total minimum lease payments	143,685,014	\$ 283,777
Less: Interest	53,310,746	
Less: Executory costs	11,405,386	
Principal Outstanding	\$ 78,968,882	

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 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

Summary of Significant Accounting Policies

Pensions: 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 fiduciary net position of the Teachers Retirement System of Georgia (TRS) and Employees' Retirement System (ERS), additions to/deductions for TRS's and ERS's fiduciary net position have been determined on the same basis as they are reported by TRS and ERS. 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.

General Information about the Teachers Retirement System

Plan description

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

Benefits Provided

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

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2017. USGs contractually required contribution rate for the year ended June 30, 2017 was 14.27% of annual the University payroll. The University's contributions to TRS totaled \$2,739,766 for the year ended June 30, 2017.

General Information about the Employees' Retirement System

Plan description

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

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, post-retirement 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. University's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017 was 24.69% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. University's contributions to ERS totaled \$12,647 for the year ended June 30, 2017. 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, 2017, 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, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 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, 2016. At June 30, 2016, the University's TRS proportion was 0.167767%, which was an decrease of (0.005122)% from its proportion measured as of June 30, 2015. At June 30, 2016, the University's ERS proportion was 0.002741%, which was a increase of 0.000386% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the University recognized pension expense of \$785,367 for TRS and \$20,841 for ERS. At June 30, 2017, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflow of Resources	Deferred Inflows of Resources	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 515,629	\$ 171,158	\$ —	\$ 299
Changes of assumptions	\$ 897,100	\$ —	\$ 1,098	\$ —
Net difference between projected and actual earnings on pension plan investments	\$ 4,378,586	\$ —	\$ 13,183	\$ —
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 28,577	\$ 838,207	\$ 14,597	\$ —
Contributions subsequent to the measurement date	\$ 2,739,766		\$ 12,647	\$ —
Total	<u>\$ 8,559,658</u>	<u>\$ 1,009,365</u>	<u>\$ 41,525</u>	<u>\$ 299</u>

The University's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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 Ended June 30:	TRS	ERS
2018	\$ 466,796	\$ 13,775
2019	\$ 466,794	\$ 3,290
2020	\$ 2,306,921	\$ 7,107
2021	\$ 1,535,531	\$ 4,407
2022	\$ 34,485	\$ —
Thereafter	\$ —	\$ —

Actuarial assumptions

The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

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

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Employees' Retirement System

Inflation	2.75%
Salary increases	3.25 – 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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

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

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

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 7.50%. 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.

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Teachers Retirement System:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$ 53,874,320	\$ 34,612,203	\$ 18,753,024

Employees' Retirement System:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$ 175,714	\$ 129,661	\$ 90,414

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 www.trsga.com/publications and www.ers.ga.gov/formspubs/, 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 2017, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6% 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 \$424,064 (9.24%) and \$275,367 (6%), 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 2017, 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 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 Official Code of Georgia Annotated Section 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, 2017.

Note 17 Post-Employment Benefits Other Than Pension Benefits

Pursuant to the general powers conferred by the Official Code of Georgia Annotated Section 20-3-31, the Board of Regents of the University System of Georgia has established group health and life insurance programs for regular employees of the University System of Georgia. It is the policy of the Board of Regents to permit employees of the University System of Georgia eligible for retirement or that become permanently and totally disabled to continue as members of the group health and life insurance programs. The policies of the Board of Regents of the University System of Georgia define and delineate who is eligible for these post-employment health and life insurance benefits. Organizational units of the Board of Regents of the University System of Georgia pay the employer portion for group insurance for affected individuals. With regard to life insurance, the employer covers the total 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 employee.

The Board of Regents Retiree Health Benefit Plan is a single-employer, defined benefit plan. Financial statements and required supplementary information for the Plan are included in the publicly available Consolidated Annual Financial Report of the University System of Georgia. The Institution pays the employer portion of health insurance for its eligible retirees based on rates that are established annually by the Board of Regents for the upcoming plan year.

As of June 30, 2017, there were 378 employees who had retired or were disabled that were receiving these post-employment health and life insurance benefits. For the year ended June 30, 2017, the University recognized \$1,021,385 in expenses, which was net of \$228,000 of participant contributions.

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2017 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 18,422,515	\$ 2,097,540	\$ 5,265,568	\$ 11,341	\$ 160,756
Research	240	5,400	3,033		113
Public Service	867	605,652	197,139		4,595
Academic Support	1,884,642	3,420,422	1,403,056	4,816	65,696
Student Services	14,000	5,018,251	1,543,790		84,755
Institutional Support	78,924	4,886,684	3,808,049	311,524	42,840
Plant Operations and Maintenance	—	2,861,806	1,077,260	(90,125)	6,236
Scholarships and Fellowships	55,000				
Auxiliary Enterprises	360	2,582,457	843,472	264,543	70,706
Patient Care	—				
Unallocated Expenses	—	—	—		—
Total Operating Expenses	<u>\$ 20,456,548</u>	<u>\$ 21,478,212</u>	<u>\$ 14,141,367</u>	<u>\$ 502,099</u>	<u>\$ 435,697</u>

Functional Classification	Natural Classification				Total Operating Expenses
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	
Instruction	\$ 145,248	\$ 56,220	\$ 1,484,431	\$ 1,233,523	\$ 28,877,142
Research			10,125	1,745	20,656
Public Service		1,506	120,797	—	930,556
Academic Support		59,068	1,908,903	707,921	9,454,524
Student Services	169,424	12,805	1,174,173	854,475	8,871,673
Institutional Support	—	51,113	3,185,716	218,791	12,583,641
Plant Operations and Maintenance	—	1,479,707	1,033,439	578,226	6,946,549
Scholarships and Fellowships	7,686,972				7,741,972
Auxiliary Enterprises	998,401	1,001,141	4,529,799	1,983,502	12,274,381
Patient Care					—
Unallocated Expenses		—	—	—	—
Total Operating Expenses	\$ 9,000,045	\$ 2,661,560	\$ 13,447,383	\$ 5,578,183	\$ 87,701,094

REQUIRED SUPPLEMENTARY INFORMATION



CLAYTON STATE UNIVERSITY

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
Employees' Retirement System	6/30/2017	\$ 12,647	\$ 12,647	\$ —	50,975	24.81%
	6/30/2016	\$ 18,077	\$ 18,077	\$ —	56,106	32.22%
	6/30/2015	\$ 13,183	\$ 13,183	\$ —	57,729	22.84%
	6/30/2014	\$ 11,907	\$ 11,907	\$ —	57,736	20.62%
	6/30/2013	\$ 7,699	\$ 7,699	\$ —	55,000	14.00%
	6/30/2012	\$ 6,450	\$ 6,450	\$ —	55,460	11.63%
	6/30/2011	\$ 2,408	\$ 2,408	\$ —	23,132	10.41%
	6/30/2010	\$ —	\$ —	\$ —	—	#DIV/0!
	6/30/2009	\$ 1,369	\$ 1,369	\$ —	15,642	8.75%
	6/30/2008	\$ 3,513	\$ 3,513	\$ —	33,750	10.41%
Teachers' Retirement System	6/30/2017	\$ 2,715,173	\$ 2,715,173	\$ —	19,027,135	14.27%
	6/30/2016	\$ 2,651,797	\$ 2,651,797	\$ —	18,543,983	14.30%
	6/30/2015	\$ 2,183,848	\$ 2,183,848	\$ —	18,430,429	11.85%
	6/30/2014	\$ 2,214,062	\$ 2,214,062	\$ —	18,090,504	12.24%
	6/30/2013	\$ 1,996,588	\$ 1,996,588	\$ —	17,498,688	11.41%
	6/30/2012	\$ 1,769,829	\$ 1,769,829	\$ —	17,216,235	10.28%
	6/30/2011	\$ 1,653,948	\$ 1,653,948	\$ —	16,088,988	10.28%
	6/30/2010	\$ 1,513,263	\$ 1,513,263	\$ —	15,536,581	9.74%
	6/30/2009	\$ 1,464,139	\$ 1,464,139	\$ —	15,777,360	9.28%
	6/30/2008	\$ 1,373,059	\$ 1,373,059	\$ —	14,795,894	9.28%

CLAYTON STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST THREE FISCAL YEARS*

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	6/30/2017	—%	\$ 129,661	\$ 56,106	231.10%	72.34%
	6/30/2016	—%	\$ 95,410	\$ 57,729	165.27%	76.20%
	6/30/2015	—%	\$ 68,036	\$ 57,736	117.84%	77.99%
Teachers Retirement System	6/30/2017	0.17%	\$ 34,612,203	\$ 18,543,983	186.65%	76.06%
	6/30/2016	0.17%	\$ 26,320,633	\$ 18,430,429	142.81%	81.44%
	6/30/2015	0.17%	\$ 22,022,654	\$ 18,090,504	121.74%	84.03%

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

**CLAYTON STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

Changes of assumptions

Employees' Retirement System:

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

Teachers Retirement System:

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

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

SUPPLEMENTARY INFORMATION



CLAYTON STATE UNIVERSITY

CLAYTON STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30. 2017
(UNAUDITED)

ASSETS

Cash and Cash Equivalents	\$	4,011,174.35
Investments		
Accounts Receivable		
State Appropriation		
Federal Financial Assistance		
Other		786,220.11
Margin Allocation		2,922,783.62
Prepaid Expenditures		
Inventories		127,708.54
Other Assets		—
Total Assets	\$	<u>7,847,886.62</u>

LIABILITIES AND FUND EQUITY

Liabilities

Cash Overdraft	\$	—
Contracts Payable		—
Accrued Payroll		292,389.63
Payroll Withholdings		—
Encumbrance Payable		2,634,362.06
Accounts Payable		664,301.38
Unearned Revenue		1,420,152.30
Funds Held for Others		—
Other Liabilities		—
Total Liabilities		<u>5,011,205.37</u>

Fund Balances

Reserved		
Capital Outlay		—
Department Sales and Services		1,141,120.85
Indirect Cost Recoveries		334,048.63
Technology Fees		124,790.92
Restricted/Sponsored Funds		
Uncollectible Accounts Receivable		348,984.11
Inventories		—
Tuition Carry - Forward		837,751.57
Carry-Over "Per Governor's Office of Planning and Budget"		—
Early Retirement Program		—
Unreserved		
Surplus		49,985.17
Total Fund Balances		<u>2,836,681.25</u>
Total Liabilities and Fund Balances	\$	<u>7,847,886.62</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.

CLAYTON STATE UNIVERSITY
SUMMARY BUDGET COMPARISON AND SURPLUS ANALYSIS REPORT (NON-GAAP BASIS)
BUDGET FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	FINAL BUDGET	ACTUAL	VARIANCE
<u>REVENUES</u>			
State Appropriations	24,688,217.00	24,688,217.00	—
Other Funds	57,951,675.00	55,976,391.44	(1,975,283.56)
Total Revenue	82,639,892.00	80,664,608.44	(1,975,283.56)
<u>ADJUSTMENTS AND PROGRAM TRANSFERS</u>			
		—	—
<u>CARRY-OVER FROM PRIOR YEARS</u>			
Transfers from Reserved Fund Balance	—	2,127,211.53	2,127,211.53
Total Funds Available	82,639,892.00	82,791,819.97	151,927.97
<u>EXPENDITURES</u>			
Public Service/Special Funding Initiative	—	—	—
Teaching	82,639,892.00	80,175,815.96	2,464,076.04
Total Expenditures	82,639,892.00	80,175,815.96	2,464,076.04
Excess of Funds Available over Expenditures		2,616,004.01	
<u>FUND BALANCE JULY 1</u>			
Reserved		2,512,949.80	
Unreserved		19,189.87	
<u>ADJUSTMENTS</u>			
Prior Year Payables/Expenditures		37,525.05	
Prior Year Receivables/Revenues		(202,586.08)	
Increase (Decrease) in Inventories		—	
Other Additions (Deletions)		—	
Unreserved Fund Balance (Surplus) Returned to Board of Regents - University System Office			
Year Ended June 30, 2016		(19,189.87)	
Early Return of Surplus in Fiscal Year 2017		—	
Prior Year Reserved Fund Balance Included in Funds Available		(2,127,211.53)	
<u>ENDING FUND BALANCE JUNE 30</u>		2,836,681.25	
<u>SUMMARY OF FUND BALANCE</u>			
Reserved			
Capital Outlay		—	
Department Sales & Services		1,141,120.85	
Early Retirement Program		—	
Indirect Cost Recovery		334,048.63	
Inventories		—	
Technology Fees		124,790.92	
Restricted/Sponsored Funds			
Uncollectible Accounts Receivable		348,984.11	
Tuition Carry - Forward		837,751.57	
Property Reserves		—	
Total Reserved		2,786,696.08	
Unreserved			
Surplus		49,985.17	
Total Fund Balance		2,836,681.25	

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.

CLAYTON STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds					
Tobacco Funds					—
State Funds - Prior Year Carry-Over					
Total Public Service / Special Funding Initiatives	—	—	—	—	—
Teaching					
State Appropriation					
State General Funds	24,687,217.00	24,687,217.00	24,688,217.00	24,688,217.00	—
Other Funds	54,062,856.00	54,062,856.00	57,951,675.00	55,976,391.44	2,127,211.53
Total Teaching	78,750,073.00	78,750,073.00	82,639,892.00	80,664,608.44	2,127,211.53
Total Operating Activity	78,750,073.00	78,750,073.00	82,639,892.00	80,664,608.44	2,127,211.53

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.

CLAYTON STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	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)	
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds		—	—		—	—
Tobacco Funds	—			—		
State Funds - Prior Year Carry-Over						
Total Public Service / Special Funding Initiatives	—	—	—	—	—	—
Teaching						
State Appropriation						
State General Funds	—	24,688,217.00	—	24,649,554.61	38,662.39	38,662.39
Other Funds		58,103,602.97	151,927.97	55,526,261.35	2,425,413.65	2,577,341.62
Total Teaching	—	82,791,819.97	151,927.97	80,175,815.96	2,464,076.04	2,616,004.01
Total Operating Activity	—	82,791,819.97	151,927.97	80,175,815.96	2,464,076.04	2,616,004.01

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.

CLAYTON STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2016 Surplus	Prior Year Adjustments	Other Adjustments
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds			—		—
Tobacco Funds	—	—	—	—	—
Other Funds	—	—	—		—
Total Public Service / Special Funding Initiatives	—	—	—	—	—
Teaching					
State Appropriation					
State General Funds	12,494.76	—	(12,494.76)	5,628.68	
Other Funds	2,133,906.64	(2,127,211.53)	(6,695.11)	(170,689.71)	36,754.16
Total Teaching	2,146,401.40	(2,127,211.53)	(19,189.87)	(165,061.03)	36,754.16
Total Operating Activity	2,146,401.40	(2,127,211.53)	(19,189.87)	(165,061.03)	36,754.16
Prior Year Reserves					
Not Available for Expenditure					
Inventories					
Uncollectible Accounts Receivable	385,738.27				(36,754.16)
Budget Unit Totals	2,532,139.67	(2,127,211.53)	(19,189.87)	(165,061.03)	—

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.

**CLAYTON STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Early Return of Fiscal Year 2017 Surplus	Excess (Deficiency) of Funds Available Over/Under Expenditures	Ending Fund Balance/(Deficit)	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—		—			—
Tobacco Funds	—		—	—	—	—
Other Funds	—	—	—	—		—
Total Public Service / Special Funding Initiatives	—	—	—	—	—	—
Teaching						
State Appropriation						
State General Funds	—	38,662.39	44,291.07	—	44,291.07	44,291.07
Other Funds		2,577,341.62	2,443,406.07	2,437,711.97	5,694.10	2,443,406.07
Total Teaching	—	2,616,004.01	2,487,697.14	2,437,711.97	49,985.17	2,487,697.14
Total Operating Activity	—	2,616,004.01	2,487,697.14	2,437,711.97	49,985.17	2,487,697.14
Prior Year Reserves						
Not Available for Expenditure						
Inventories			—			—
Uncollectible Accounts Receivable			348,984.11	348,984.11		348,984.11
Budget Unit Totals	—	2,616,004.01	2,836,681.25	2,786,696.08	49,985.17	2,836,681.25
		Capital Outlay			—	—
		Departmental Sales and Services		1,141,120.85	—	1,141,120.85
		Indirect Cost Recovery		334,048.63	—	334,048.63
		Technology Fees		124,790.92	—	124,790.92
		Restricted/Sponsored Funds		—	—	—
		Property Reserves		—	—	—
		Tuition Carry-Forward		837,751.57	—	837,751.57
		Uncollectible Accounts Receivable		348,984.11	—	348,984.11
		Inventories		—	—	—
		Early Retirement Program		—	—	—
		Surplus		—	49,985.17	49,985.17
				2,786,696.08	49,985.17	2,836,681.25

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.



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

CLAYTON STATE UNIVERSITY

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