

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

**REPORT ON AGREED-UPON PROCEDURES -
CLAYTON STATE UNIVERSITY**

JUNE 30, 2021

BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA

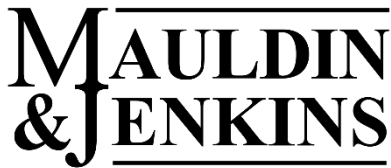
REPORT ON AGREED-UPON PROCEDURES - CLAYTON STATE UNIVERSITY

JUNE 30, 2021

TABLE OF CONTENTS

Page

Independent Accountant's Report on Agreed-Upon Procedures – Clayton State University	1 - 4
---	-------



CPAs & ADVISORS

INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES – CLAYTON STATE UNIVERSITY

Board of Regents of the University System of Georgia
Attention: Mrs. Claire Arnold
Atlanta, Georgia

We have performed the procedures enumerated below to solely assist with respect to Clayton State University (the "University") being consolidated with Board of Regents of the University System of Georgia (USG)'s Annual Financial Report (AFR) as of June 30, 2021. USG's management is responsible for the University being consolidated with USG.

The Board of Regents of the University System of Georgia has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes of the University being consolidated with USG. This report may not be suitable for any other purpose. The procedures performed may address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining where the procedures performed are appropriate for their purposes.

The procedures performed and associated findings are as follows:

1. We traced the following financial account grouping balances on the June 30, 2021 Annual Financial Report (AFR) to the June 30, 2021 general ledger;
 - a. Cash,
 - b. Accounts receivable,
 - c. Capital assets,
 - d. Accounts payable,
 - e. Deposits held for other organizations,
 - f. Advances,
 - g. Other deposits, and
 - h. Compensated absences.

We found no exceptions as a result of this procedure.

2. We were engaged to recalculate the June 2021 bank reconciliations and review them for clerical accuracy.

We found no exceptions as a result of this procedure.

3. We were engaged to review the July 2021 bank statement for cleared checks over \$10,000 to ensure proper inclusion or exclusion from the June 2021 bank reconciliation. In addition, review supporting documentation of outstanding deposits-in-transit over \$10,000 on the June 2021 bank reconciliation to ensure proper inclusion.

We found no exceptions as a result of this procedure.

4. We were engaged to review cash receipt documentation on a sample of 25 randomly selected student accounts receivable balances as of June 30, 2021 for any payments received on each student's balance from July 2021 through September 2021.

The 25 randomly selected student accounts receivable balances (less future amounts) selected for testing collectively totaled \$54,497. Of these balances, we noted \$23,973 was received during the period of July 1, 2021 through September 30, 2021.

5. We were engaged to perform student drop date procedures on student accounts receivable balances for the Fall '21 semester terms. As defined in USG's Business Procedures Manual, Section 10: Accounts Receivable, Subchapter 1.1 Student Receivables, "Students who have not paid or whose approved/awarded financial aid, scholarships and/or loans are not sufficient to cover remaining balances due, must be purged from class rolls unless 'GAP' is available. GAP funding is funding provided from designated resources, such as emergency type loans or foundation funds to bridge the difference (*also known as "gap"*) between what has been applied to a student's account (*cash, aid, scholarships*) to cover semester charges vs. what remains due from student."

We found no exceptions as a result of this procedure.

6. We were engaged to perform collection effort procedures on 25 randomly selected student accounts receivable balances as of June 30, 2021, as defined in USG's Business Procedures Manual, Section 10: Accounts Receivable, Subchapter 6.1 Past Due Notices.

For 9 of the 9 student accounts receivable balances tested that were over 30 days past due, we noted the 1st Billing Notice was not sent by the prescribed 30 day past due date.

For 9 of the 9 student accounts receivable balances tested that were over 60 days past due, we noted the 2nd Billing Notice was not sent by the prescribed 60 day past due date.

For 7 of the 7 student accounts receivable balances tested that were over 90 days past due, we noted the 3rd Billing Notice was not sent by the prescribed 90 day past due date.

For 5 of the 6 student accounts receivable balances tested that were over 120 days past due (*and collectively \$1,000 or more per student*), we noted the 4th Billing Notice was not sent within the prescribed 120 day past due date.

For 5 of the 5 student accounts receivable balances tested that were over 180 days past due (*and collectively \$300 or more per student*), we noted the University did not send the account to collections.

As defined in USG's Business Procedures Manual, Section 10: Accounts Receivable, Subchapter 6.1 Past Due Notices, "Past due notices should include the following; 1.) Amount due, 2.) Days past due, 3.) Date payment expected, and 4.) Consequences of not paying the outstanding balance." The notices that we reviewed did not consistently have the "Days past due" included.

7. We were engaged to independently recalculate the University's provision for uncollectible accounts estimate calculation as of June 30, 2021, as defined in USG's Business Procedures Manual, Section 10: Accounts Receivable, Subchapter 3.1 Provision for Uncollectible Accounts (Bad Debts).

We independently recalculated that the University's provision for bad debt estimate calculation was understated by \$7,449 as of June 30, 2021.

8. We were engaged to review that the University submitted formal write-off requests for delinquent student accounts receivable balances (*collectively \$3,000 and less per student*) to the State Accounting Office as defined in USG's Business Procedures Manual, Section 10: Accounts Receivable, Subchapter 3.3 Assigning Receivables to Third Party Collection Agencies Write-off Policy. In addition, review the University received formal approval of the requested write-offs from the State Accounting Office before it removed the delinquent student accounts receivable balances from accounts receivable ledger.

We found no exceptions as a result of this procedure.

9. We were engaged to review current year capital asset expenditure invoices (*and other applicable supporting documentation*) over \$15,000 to ensure each item was properly capitalized as of June 30, 2021.

We found no exceptions as a result of this procedure.

10. We were engaged to review current year repairs & maintenance (R&M) expenditure invoices (*and other applicable supporting documentation*) over \$15,000 to ensure each item was properly expensed for the year ended June 30, 2021.

For 1 of the 43 invoices reviewed, we noted \$16,734 of R&M expenditures that were improperly expensed (and should have been included as a capital asset as defined in USG's Business Procedures Manual, Section 7: Capitalization, Subchapter 7.1.2 Capitalization Thresholds) as of June 30, 2021.

11. We were engaged to review invoices (*and other applicable supporting documentation*) for cash disbursements over \$25,000 during July and September 2021 to ensure each applicable expense incurred was properly included or excluded from accounts payable and/or accrued expenses as of June 30, 2021.

For 17 of the 90 invoices reviewed, we noted \$792,027 collectively of expenditures that were improperly excluded from accounts payable and/or accrued expenses as of June 30, 2021.

12. We were engaged to independently recalculate the University's prepaid tuition and fees advance liability calculation for reasonableness as of June 30, 2021.

We found no exceptions as a result of this procedure.

13. We were engaged to perform GASB 84 implementation procedures on 5 judgmentally selected custodial funds (*formerly known as agency funds*) that are presented as Fiduciary Funds in the June 30, 2021 Annual Financial Report (AFR).

We found no exceptions as a result of this procedure.

We were engaged by Board of Regents of the University System of Georgia to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the University being consolidated with USG. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Board of Regents of the University System of Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Regents of the University System of Georgia and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
January 7, 2022



CLAYTON STATE UNIVERSITY

Annual Financial Report
Fiscal Year 2021

CLAYTON STATE UNIVERSITY
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2021

Introductory Section	<u>1</u>
Message from the President.....	<u>2</u>
Letter of Transmittal.....	<u>3</u>
Financial Section	<u>4</u>
Management's Discussion and Analysis.....	<u>5</u>
Financial Statements (GAAP Basis).....	<u>18</u>
Statement of Net Position.....	<u>18</u>
Statement of Revenues, Expenses, and Changes in Net Position.....	<u>20</u>
Statement of Cash Flows.....	<u>22</u>
Statement of Fiduciary Net Position.....	<u>25</u>
Statement of Changes in Fiduciary Net Position.....	<u>26</u>
Notes to the Financial Statements.....	<u>27</u>
Required Supplementary Information	<u>54</u>
Schedule of Contributions for Defined Benefit Pension Plan.....	<u>55</u>
Schedule of Proportionate Share of Net Pension Liability.....	<u>56</u>
Notes to the Required Supplemental Information for Pension Plans.....	<u>57</u>
Schedule of Contributions for OPEB Plan.....	<u>58</u>
Schedule of Proportionate Share of the Net OPEB Liability.....	<u>59</u>
Notes to the Required Supplemental Information for OPEB Plan.....	<u>60</u>
Supplementary Information	<u>61</u>
Balance Sheet (Non-GAAP Basis).....	<u>62</u>
Statement of Funds Available and Expenditures Compared to Budget (Non-GAAP Basis).....	<u>63</u>
Statement of Changes to Fund Balance by Program and Funding Source (Non-GAAP Basis).....	<u>64</u>

Introductory Section

Message from the President

It has been said that the ultimate measure of an individual is during times of challenge. The 2020-21 academic year saw an unprecedented shift in how higher education institutions go about the business of learning. Like the rest of the world, colleges and universities were greatly impacted by the coronavirus public health crisis.

But in a matter of weeks, Clayton State University rose to the occasion and made an unparalleled shift to our daily operations. From transitioning thousands of students to online learning to rapidly enacting our business continuity plans across campus departments, our Laker family demonstrated adaptability and resiliency in unpredictable times.

And while we continue to address the challenges of this pandemic to provide a safe educational environment for all, we continue to validate the value of higher education and our contributions to society.

Clayton State University is a diverse, intellectual community that is committed to being a national model for university-based community engagement. We equip our students with the knowledge, skills, and motivations for learning and success, while instilling the importance of being a steward of place. The dreams, goals, and aspirations of our students are at the heart of this work.

Our student-focused efforts have gained local and national recognition, including:

- #36 Top Performers on Social Mobility, U.S. News and World Report, 2021
- Top 133 best regional universities in the south, U.S. News and World Report, 2020
- Top 62 public colleges and universities in the south, U.S. News and World Report, 2020
- #22 Top Large Workplaces, Atlanta Journal-Constitution, 2020
- #34 among the nation's four-year public universities for graduating the highest percentages of students who complete their degree in their fifth or sixth year, Chronicle of Higher Education, 2020

We are proud to offer more than 40 undergraduate majors and 10 graduate degree programs.

Clayton State University's Strategic Plan 2022 reflects the ongoing commitment of our faculty and staff to student learning and success by focusing on six strategic priorities, which are:

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

As you examine this document, you will find these priorities and themes reflected throughout.

On behalf of Clayton State University's faculty, staff, students and alumni, I thank you. Because of your continued support, Clayton State is a place where needs are met, goals are achieved, and dreams are made real.

Dr. Thomas J. Hynes
President of Clayton State University

Letter of Transmittal

August 30, 2021

To: Dr. T. Ramon Stuart
President
Clayton State University

The Annual Financial Report (AFR) for the Clayton State University includes the financial statements for the year ended June 30, 2021, as well as other useful information to help ensure the University's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the University's financial position as a result of operations for the fiscal year ended June 30, 2021.

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

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

This fiscal year Mauldin & Jenkins, an external accounting firm, was engaged by the Board of Regents to conduct selected financial testing procedures. These procedures do not constitute an audit of the institution's financial statements. For this reason, the Mauldin & Jenkins did not express an opinion on the financial statements.

Sincerely,

Ms. Corlis Cummings
Vice President, Business & Operations

Financial Section

CLAYTON STATE UNIVERSITY

Management's Discussion and Analysis

Introduction

Clayton State University (University) is one of the 26 institutions of higher education of the University System of Georgia. The University is located in Morrow, Georgia and was founded in 1969. It 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 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 over 6800 students.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2021	7,052	5,726
FY 2020	6,879	5,705
FY 2019	7,038	5,789

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2021. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2021 and fiscal year 2020.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2021 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 University and how much the University owes vendors. The difference between assets and liabilities (net position) is one indicator of the University's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the University's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories. The first category, net investment in capital assets, provides the University's equity in property, plant, and equipment owned by the University.

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

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

CONDENSED STATEMENT OF NET POSITION	June 30, 2021	June 30, 2020	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 18,471,551	\$ 14,779,728	\$ 3,691,823	24.98 %
Capital Assets, Net	118,246,632	117,671,797	574,835	0.49 %
Other Assets	2,233,311	1,574,833	658,478	41.81 %
TOTAL ASSETS	\$ 138,951,494	\$ 134,026,358	\$ 4,925,136	3.67 %
DEFFERED OUTFLOWS	\$ 22,744,050	\$ 15,887,014	\$ 6,857,036	43.16 %
LIABILITIES				
Current Liabilities	9,144,292	8,670,756	473,536	5.46 %
Non-Current Liabilities	164,651,111	154,493,507	10,157,604	6.57 %
TOTAL LIABILITIES	\$ 173,795,403	\$ 163,164,263	\$ 10,631,140	6.52 %
DEFERRED INFLOWS	\$ 17,665,038	\$ 18,297,135	\$ -632,097	-3.45 %
NET POSITION				
Net Investment in Capital Assets	47,937,732	44,959,003	2,978,729	6.63 %
Restricted, Non-Expendable	1,650,680	1,650,680	—	— %
Restricted, Expendable	7,335	2,987	4,348	145.56 %
Unrestricted	-79,360,644	-78,160,696	-1,199,948	(1.54)%
TOTAL NET POSITION	\$ -29,764,897	\$ -31,548,026	\$ 1,783,129	5.65 %

Total assets increased \$4,925,136 which was due to an increase in current assets of \$3,691,823, an increase in net capital assets of \$574,835, and an increase in other assets of \$658,478.

Total deferred outflows of resources increased by \$6,857,036 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 as well as the implementation of GASB 75 Other Post Employment Benefits (OPEB).

Total liabilities increased \$10,631,140 which was due to an increase in current liabilities of \$473,536 and an increase in non-current liabilities of \$10,157,604. Lease purchase obligations decreased 4,160,905, which was attributable to the normal fiscal year 2021 principal payments for Laker Hall and Student Activity Center as well as a decreased amount in principal payment for Laker Village due to debt refunding. Net pension and net other post employment benefits (OPEB) liabilities increased by \$3,691,750 and \$10,281,230 respectively 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 overall increase of \$10,631,140 in total liabilities is a result of the significant increase in pension and net OPEB liabilities netted with the decrease in lease purchase obligation.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded an increase in net position of \$1,783,129. This change in net position is primarily in the category of Net Investment in Capital Asset, in the amount of \$2,978,729.

Total deferred inflows of resources decreased by -\$632,097 which was due to an increase of \$1,573,182 in deferred inflows for debt refunding, decrease of \$509,639 in the University's deferred inflows related to pension liability and a decrease of \$1,695,640 in the category of deferred inflows related to the changes in the University's net OPEB liability.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided. For example state appropriations are non-operating because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2021	June 30, 2020	Increase/ (Decrease)	% Change
Operating Revenue	\$ 40,941,666	\$ 40,409,195	\$ 532,471	1.32 %
Operating Expense	97,782,461	98,651,336	(868,875)	-0.88 %
Operating Income/Loss	\$ -56,840,795	\$ -58,242,141	\$ 1,401,346	2.41 %
Non-Operating Revenue and Expense	52,831,397	49,361,824	3,469,573	7.03 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	\$ -4,009,398	\$ -8,880,317	\$ 4,870,919	54.85 %
Other Revenues, Expenses, Gains, Losses and Special Items	5,792,527	317,893	5,474,634	1,722.16 %
Change in Net Position	\$ 1,783,129	\$ -8,562,424	\$ 10,345,553	120.83 %
Net Position at beginning of year	-31,548,026	-22,985,602	-8,562,424	-37.25 %
Net Position at End of Year	\$ -29,764,897	\$ -31,548,026	\$ 1,783,129	5.65 %

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase in net position at the end of the year. Some highlights of the information presented on this statement are as follows:

Revenues

Net tuition and fees stayed relatively constant (0.49%); federal grants and contracts revenue increased due to an increase in the Predominantly Black Institutions grant expenses (42.95%). Due to the outbreak of the coronavirus public health crisis, the institution transitioned to distance learning, thereby eliminating the need for students to live in university housing. The 13.43% increase in housing revenue in fiscal year 2021 over fiscal year 2020 was due to the fact that no revenue was collected in the summer of 2020 and part of spring 2020 semester revenue was refunded to students. The aforementioned revenue increases were offset by a 58.96% decrease in departmental sales and services revenue, resulting in a net 1.32% increase in operating revenues.

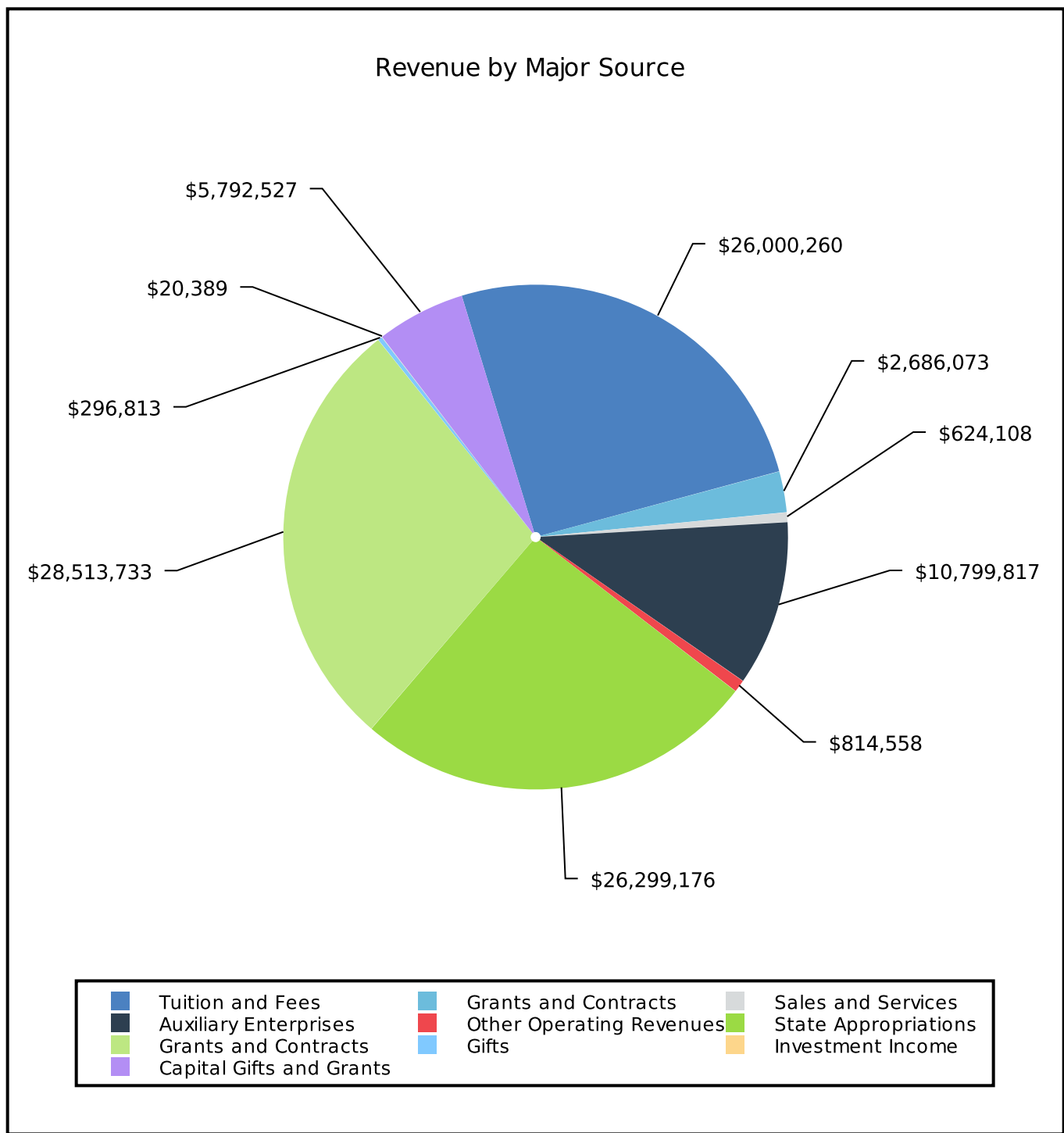
Clayton State University's overall state appropriation was cut back by 10%. In the third quarter of the fiscal year, the University received 36% of its budget cut from the Legislature for enrollment growth, maintenance and operations of facilities, and health insurance. The net decrease in state appropriations was \$1,928,058 (6.83%). In addition, nonoperating federal grants and contracts revenue increased by \$4,703,370 primarily because the institution received Higher Education Emergency Relief Funds (HEERF) from the Department of Education.

The Georgia State Financing and Investment Commission (GSFIC) completed the second (B) component of the academic core project and transferred the asset to the University. This accounted for majority of the \$5,474,634 increase in state capital grants and gifts.

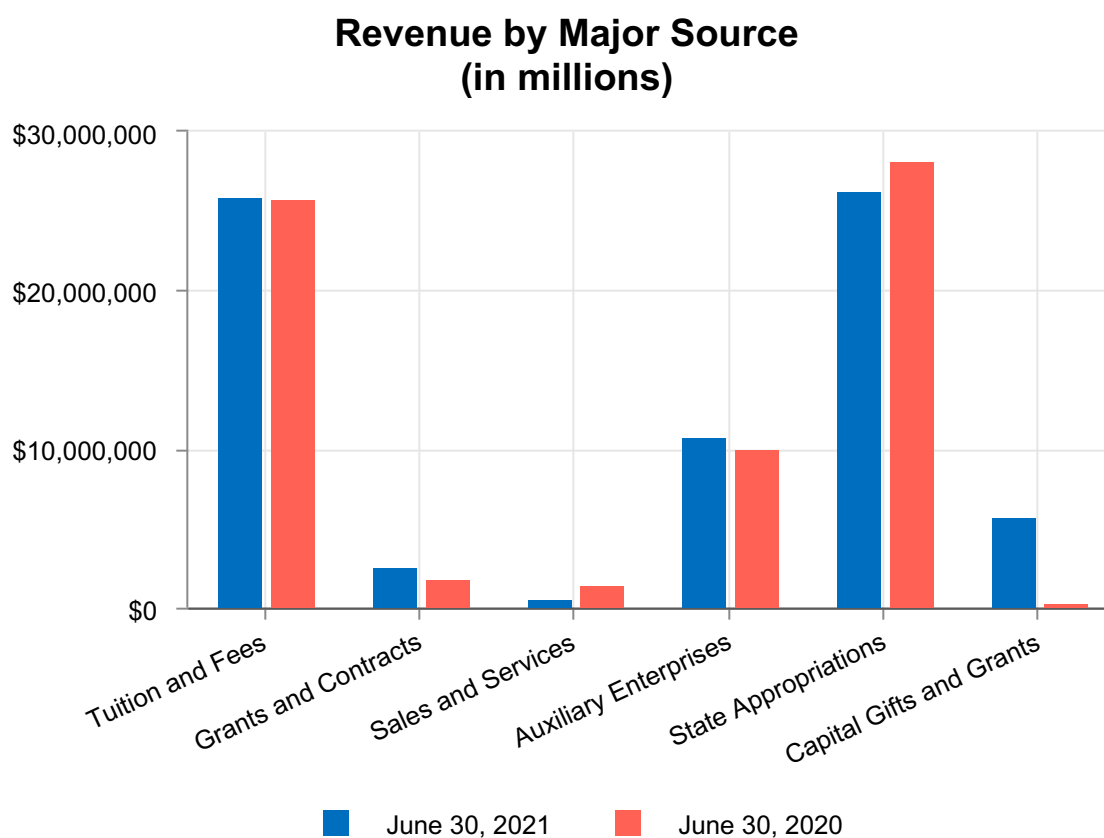
For the years ended June 30, 2021 and June 30, 2020, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2021	June 30, 2020	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 26,000,260	25,872,298	\$ 127,962	0.49 %
Grants and Contracts	2,686,073	1,908,359	777,714	40.75 %
Sales and Services	624,108	1,520,798	-896,690	-58.96 %
Auxiliary Enterprises	10,799,817	10,050,888	748,929	7.45 %
Other Operating Revenues	814,558	1,056,852	(242,294)	-22.93 %
Total Operating Revenues	\$ 40,924,816	\$ 40,409,195	\$ 515,621	1.28 %
State Appropriations	26,299,176	28,227,234	(1,928,058)	-6.83 %
Grants and Contracts	28,513,733	23,814,339	4,699,394	19.73 %
Gifts	296,813	—	296,813	100.00 %
Investment Income	20,389	118,167	(97,778)	-82.75 %
Other Nonoperating Revenues	—	—	—	0.00 %
Total Nonoperating Revenues	\$ 55,130,111	\$ 52,159,740	\$ 2,970,371	5.69 %
State Capital Gifts and Grants	5,792,527	317,893	5,474,634	1,722.16 %
Total Capital Gifts and Grants	\$ 5,792,527	\$ 317,893	\$ 5,474,634	1,722.16 %
Total Revenues	\$ 101,847,454	\$ 92,886,828	\$ 8,960,626	9.65 %

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



Revenue by major source for the years ended June 30, 2021 and June 30, 2020 is depicted by the following chart:



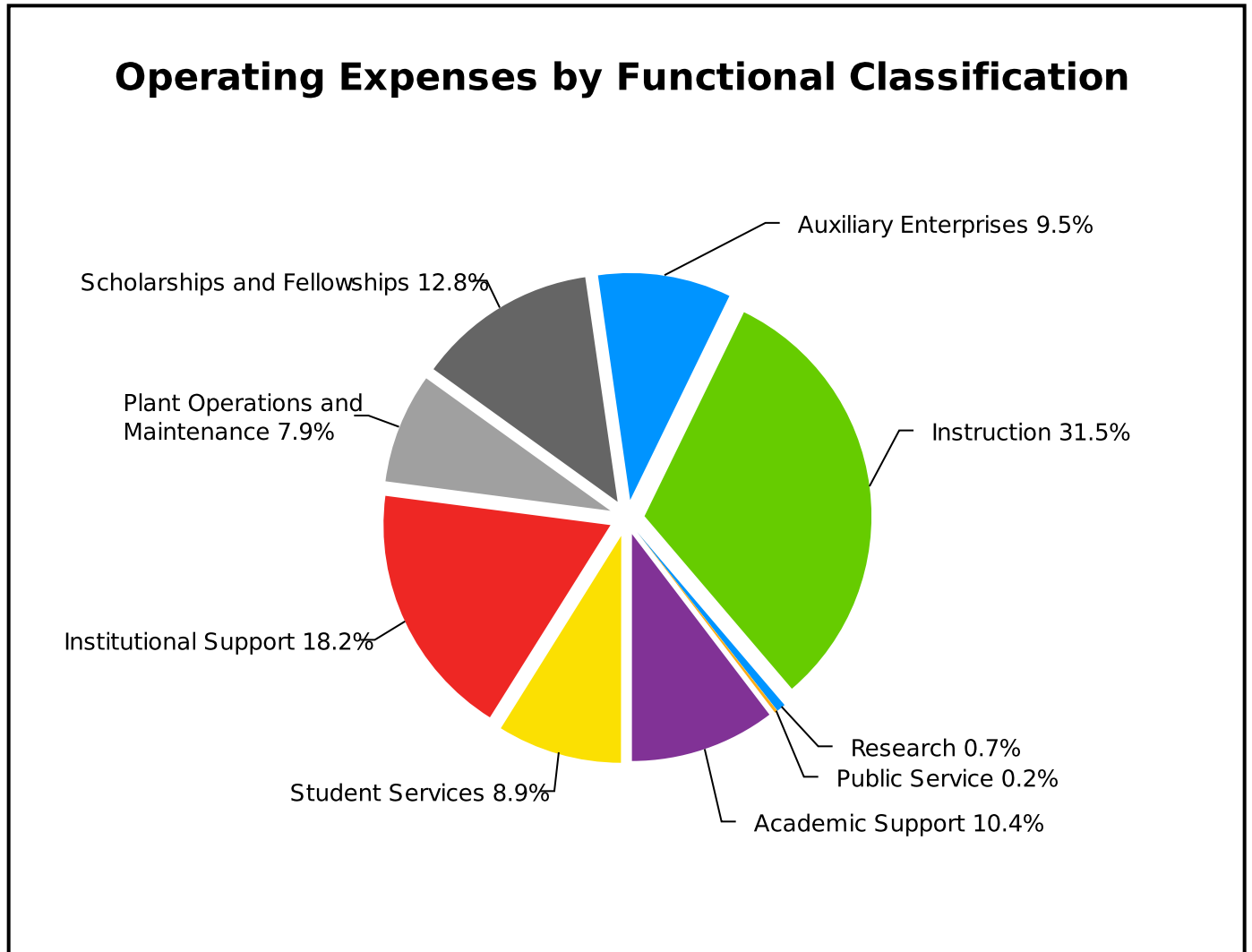
Expenses

For the years ended June 30, 2021 and June 30, 2020, expenses by functional classification were as follows:

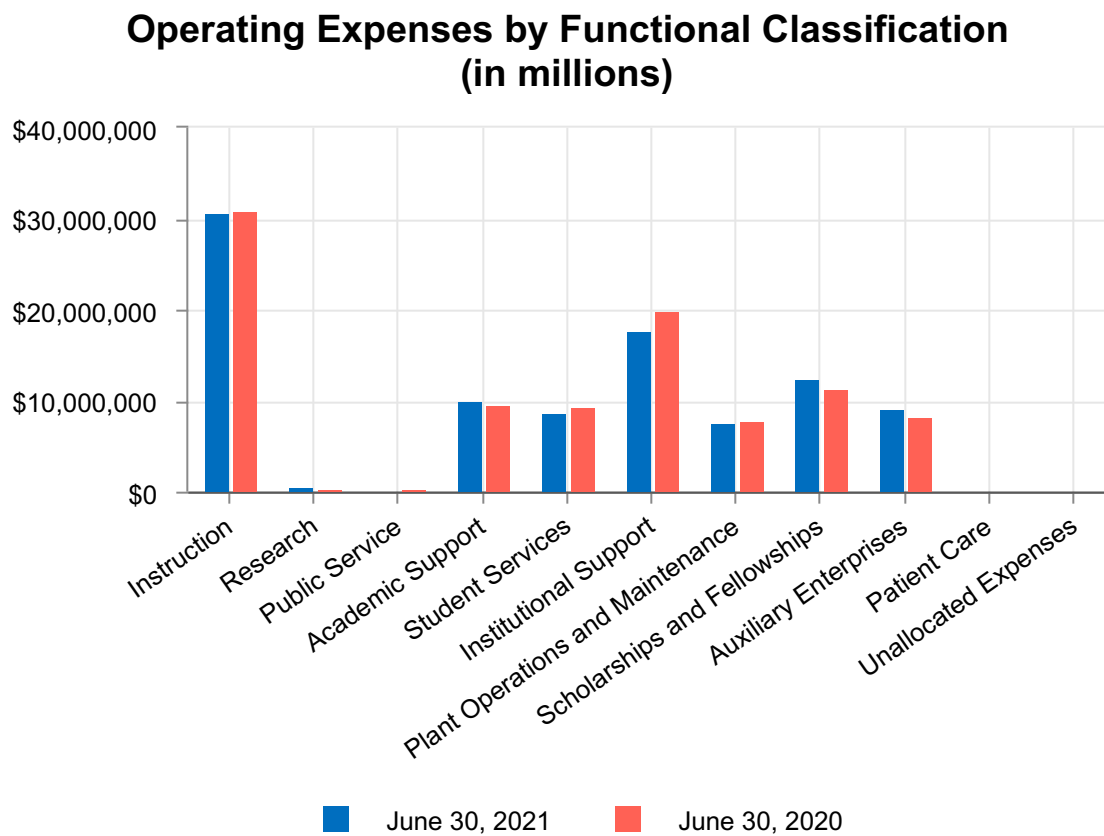
EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2021	June 30, 2020	Increase/ (Decrease)	% Change
Instruction	\$ 30,843,089	\$ 31,053,446	\$ (210,357)	-0.68 %
Research	644,036	379,208	264,828	69.84 %
Public Service	218,125	532,060	-313,935	-59.00 %
Academic Support	10,144,885	9,743,708	401,177	4.12 %
Student Services	8,695,273	9,345,023	-649,750	-6.95 %
Institutional Support	17,763,116	20,057,535	-2,294,419	(11.44)%
Plant Operations and Maintenance	7,681,432	7,827,676	-146,244	-1.87 %
Scholarships and Fellowships	12,510,213	11,382,875	1,127,338	9.90 %
Auxiliary Enterprises	9,282,292	8,329,805	952,487	11.43 %
Total Operating Expenses	\$ 97,782,461	\$ 98,651,336	\$ (868,875)	(0.88)%
Interest Expense	2,281,864	2,797,916	-516,052	-18.44 %
Total Nonoperating Expenses	\$ 2,281,864	\$ 2,797,916	\$ -516,052	-18.44 %
Total Expenses	\$ 100,064,325	\$ 101,449,252	\$ (1,384,927)	(1.37)%

Total operating expenses were \$97.78 million in fiscal year 2021, a decrease of \$868,875 (0.88%) when compared to fiscal year 2020. The decrease is primarily attributable to the following functional classifications: Instruction (\$210,357); Public Service (\$313,935); Student Services (\$649,750); Institutional Support (\$2,294,419); and Plant Operations (\$146,244). These amounts were offset by an increase in Research (\$264,828), Academic Support (\$401,177); Scholarships and Fellowships (\$1,127,338), and Auxiliary Enterprises (\$952,487).

The following chart depicts the fiscal year 2021 operating expenses by functional classification.

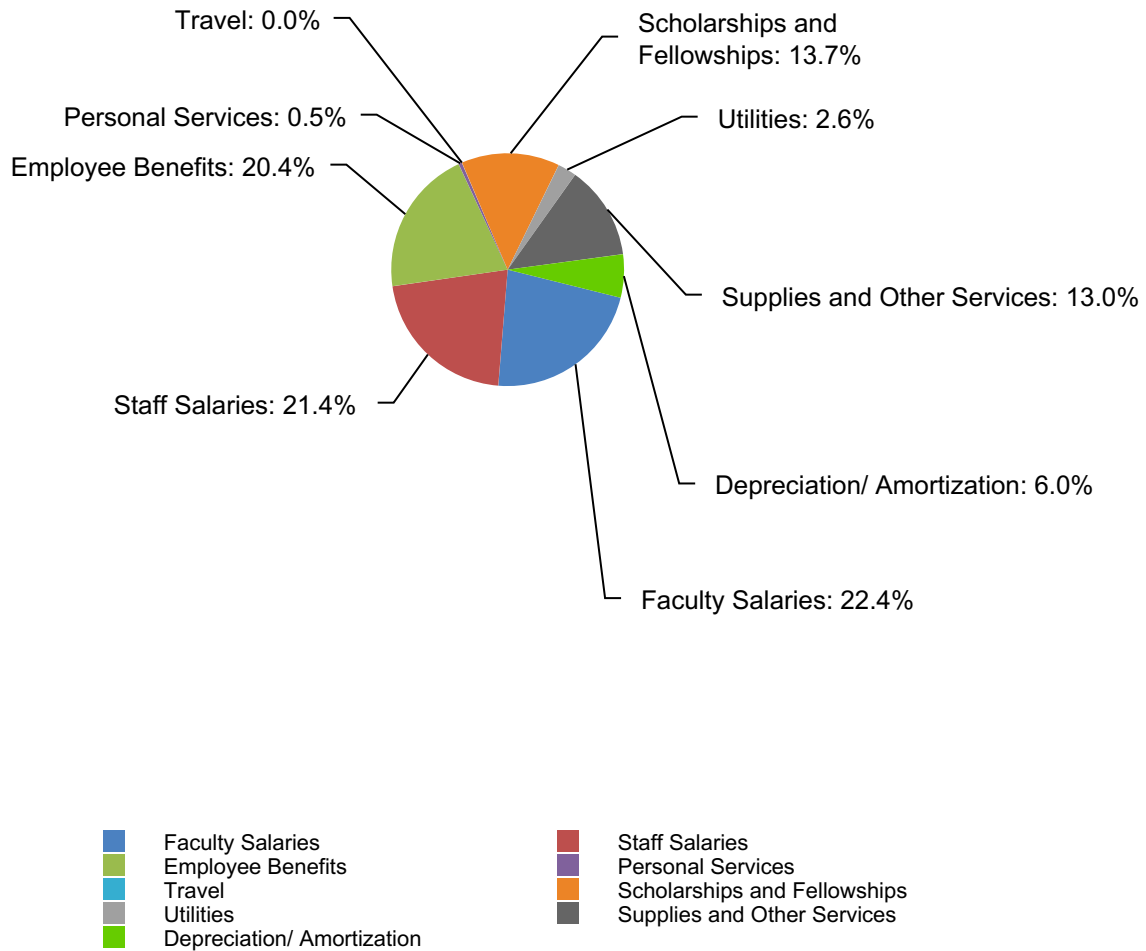


Operating expenses by functional classification for the years ended June 30, 2021 and June 30, 2021 is depicted by the following chart:

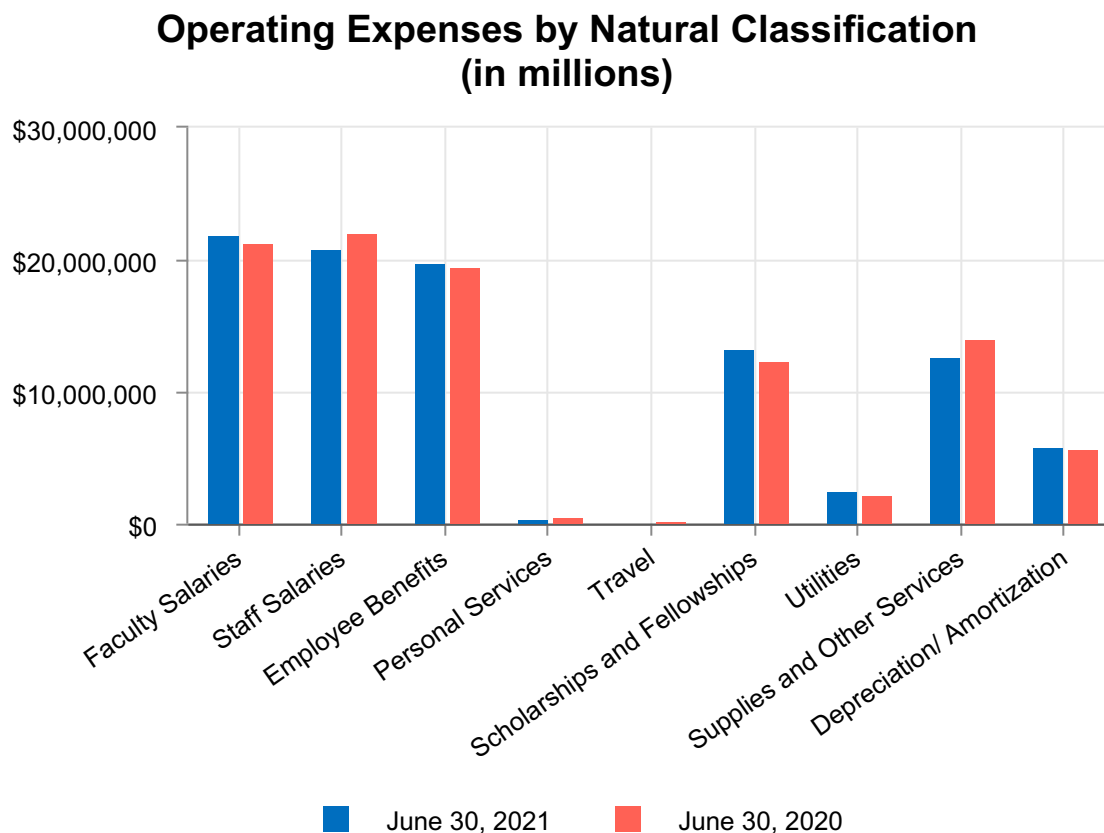


The following chart depicts the fiscal 2021 operating expenses by natural classification.

Operating Expenses by Natural Classification



Operating expenses by by natural classification for the years ended June 30, 2021 and June 30, 2020 is depicted by the following chart:



Statement of Cash Flows

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

Cash Flows for the Years Ended June 30, 2021 and 2020, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2021	June 30, 2020
Cash Provided (Used) by:		
Operating Activities	\$ -46,296,678	-44,684,322
Non-Capital Financing Activities	50,397,889	51,237,548
Capital and Related Financing Activities	-4,912,949	-5,792,225
Investing Activities	20,390	118,167
NET CHANGE IN CASH	\$ -791,348	\$ 879,168
Cash, beginning of year	11,434,123	10,554,955
CASH, end of year	\$ 10,642,775	\$ 11,434,123

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2021 and June 30, 2020 were as follows:

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2021	June 30, 2020	Increase (Decrease)	% Change
Land	\$ 2,416,732	2,416,732	\$ —	0.00%
Construction Work-in-Progress	—	—	—	0.00%
Building and Building Improvements	111,712,976	111,085,051	627,925	0.57%
Facilities and Other Improvements	31,079	38,308	-7,229	-18.87%
Equipment	1,800,509	1,619,603	180,906	11.17%
Library Collections	1,190,129	1,365,289	-175,160	-12.83%
Capital Assets, net of accumulated depreciation	\$ 118,246,632	\$ 117,671,797	\$ 574,835	0.49%

For the year ended June 30, 2021, part B of the academic core renovations project managed by GSFIC was completed. GSFIC transferred capital additions to the University from GSFIC-managed projects valued at \$5,792,527 to the University.

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 \$62,019,555 of which \$3,776,672 was reflected as a current liability at June 30, 2021.

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 postemployment benefits, capital assets and a report of operating expenses by function.

Economic Outlook

The coronavirus public health crisis negatively impacted the State's budgets and revenue streams, causing the legislature to cut funding during fiscal year 2021 by 10%. With the resumption of operations across the State and the support of the American Rescue Plan Act, revenue sources began to recover, reducing the likelihood of a reduction in state funding in fiscal year 2022. During the 2021 legislative session, the General Assembly approved to completely fund the University System of Georgia's fiscal year 2022 formula growth request to support increased enrollment across the system, maintenance and operations costs, and health and retirement benefits. This will result in a 7% increase in Clayton State's state appropriation for fiscal year 2022.

We anticipate an increase in tuition and auxiliary revenue with the return to on-campus and in-person learning beginning fall 2021 semester. Federal relief funds are also helping to offset revenue losses and expense increases that we face because of the pandemic. In addition, recovering state economies mean a lower risk of funding cuts for public universities, and the current strength of financial markets bodes well for fundraising and university endowment performance.

Overall, Clayton State's economic outlook is positive. The University will continue to monitor its operations and look for cost containment opportunities to ensure an ongoing stable financial position.

Requests for Information

The financial statements are designed to provide a general overview of the University's finances. Questions concerning any of the information provided should be addressed to the University's Controller at 2000 Clayton State Boulevard Morrow, GA 30260.

Financial Statements (GAAP Basis)

CLAYTON STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2021

Clayton State University

ASSETS

Current Assets

Cash and Cash Equivalents	\$	10,273,164
Cash and Cash Equivalents (Externally Restricted)		369,611
Short-term Investments		—
Short-term Investments (Externally Restricted)		—
Accounts Receivable, net		
Federal Financial Assistance		6,442,862
State General Appropriations		—
Margin Allocation Funds		—
Affiliated Organizations		204,175
Component Units		—
Primary Government		—
Pledges and Contributions		—
Other		1,022,014
Notes Receivable, net		—
Due From Other Funds		—
Investment in Capital Leases - Primary Government		—
Investment in Capital Leases - Other		—
Inventories		1,451
Prepaid Items		158,274
Other Assets		—
Total Current Assets		18,471,551

Non-Current Assets

Accounts Receivable, net		
Affiliated Organizations		—
Component Units		1,655,106
Primary Government		—
Due From USO - Capital Liability Reserve Fund		578,205
Due From Institution - Capital Liability Reserve Fund		—
Pledges and Contributions		—
Other		—
Investments		—
Notes Receivable, net		—
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		118,246,632
Total Non-Current Assets		120,479,943
TOTAL ASSETS		138,951,494

DEFERRED OUTFLOWS OF RESOURCES

\$ 22,744,050

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

CLAYTON STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2021

	Clayton State University
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 2,718,991
Salaries Payable	284,408
Benefits Payable	137,657
Contracts Payable	—
Retainage Payable	—
Due to Affiliated Organizations	—
Due to Component Units	—
Due to USO - Capital Liability Reserve Fund	—
Advances (Including Tuition and Fees)	2,131,875
Deposits	45,616
Deposits Held for Other Organizations	48,901
Other Liabilities	172
Notes and Loans Payable	—
Lease Purchase Obligations - External	—
Lease Purchase Obligations - Component Units	2,286,694
Revenue Bonds and Notes Payable	—
Liabilities Under Split Interest Agreements	—
Compensated Absences	1,489,978
Total Current Liabilities	<u>9,144,292</u>
Non-Current Liabilities	
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	57,173,808
Revenue Bonds and Notes Payable	—
Liabilities Under Split Interest Agreements	—
Interest Rate Swap	—
Compensated Absences	1,069,075
Net Other Post Employment Benefits Liability	65,103,324
Net Pension Liability	41,304,904
Total Non-Current Liabilities	<u>164,651,111</u>
TOTAL LIABILITIES	<u>173,795,403</u>
DEFERRED INFLOWS OF RESOURCES	<u>17,665,038</u>
NET POSITION	
Net Investment in Capital Assets	47,937,732
Restricted for:	
Nonexpendable	1,650,680
Expendable	7,335
Unrestricted (Deficit)	<u>(79,360,644)</u>
TOTAL NET POSITION	<u>\$ (29,764,897)</u>

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, 2021

	Clayton State University
OPERATING REVENUES	
Student Tuition and Fees (net)	\$ 26,000,260
Federal Appropriations	—
Grants and Contracts	
Federal	2,264,310
State	153,595
Other	268,168
Sales and Services	624,108
Rents and Royalties	(5,475)
Auxiliary Enterprises	
Residence Halls	5,905,987
Bookstore	258,674
Food Services	1,464,425
Parking/Transportation	466,268
Health Services	547,868
Intercollegiate Athletics	1,918,879
Other Organizations	254,566
Gifts and Contributions	—
Endowment Income	—
Other Operating Revenues	820,033
Total Operating Revenues	40,941,666
OPERATING EXPENSES	
Faculty Salaries	21,913,288
Staff Salaries	20,956,319
Employee Benefits	19,904,636
Other Personal Services	461,953
Travel	17,181
Scholarships and Fellowships	13,360,559
Utilities	2,551,603
Supplies and Other Services	12,737,841
Depreciation	5,879,081
Total Operating Expenses	97,782,461
Operating Income (Loss)	\$ -56,840,795

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, 2021

	Clayton State University
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	\$ 26,299,176
Grants and Contracts	
Federal	27,817,640
State	—
Other	696,093
Gifts	296,813
Investment Income	20,389
Interest Expense	-2,281,864
Other Nonoperating Revenues (Expenses)	(16,850)
	<hr/>
Net Nonoperating Revenues	52,831,397
	<hr/>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	-4,009,398
	<hr/>
Capital Grants and Gifts	
Federal	—
State	5,792,527
Other	—
Additions to Permanent and Term Endowments	—
Special Item	—
Extraordinary Item	—
	<hr/>
Total Other Revenues, Expenses, Gains or Losses	5,792,527
	<hr/>
Change in Net Position	1,783,129
	<hr/>
Net Position, Beginning of Year, As Originally Reported	-31,548,026
Prior Year Adjustments	—
Net Position, Beginning of Year, Restated	-31,548,026
	<hr/>
Net Position, End of Year	\$ -29,764,897
	<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, 2021

	Clayton State University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 38,493,038
Federal Appropriations	—
Grants and Contracts (Exchange)	1,964,939
Payments to Suppliers	-30,460,228
Payments to Employees	-42,939,438
Payments for Scholarships and Fellowships	-13,360,559
Loans Issued to Students	—
Collection of Loans from Students	—
Other Receipts	6,188
Other Payments	(618)
Net Cash Used by Operating Activities	-46,296,678
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	26,299,176
Agency Funds Transactions - Receipts	—
Agency Funds Transactions - Disbursements	—
Gifts and Grants Received for Other Than Capital Purposes	24,098,713
Transfer of Endowments to Affiliated Organization	—
Other Non-Capital Financing Receipts	—
Other Non-Capital Financing Payments	—
Net Cash Flows Provided by Non-Capital Financing Activities	50,397,889
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	6,243,576
Proceeds from Sale of Capital Assets	—
Purchases of Capital Assets	-6,286,937
Principal Paid on Capital Debt and Leases	(2,321,454)
Interest Paid on Capital Debt and Leases	-2,548,134
Net Cash Used by Capital and Related Financing Activities	-4,912,949
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	—
Investment Income	20,390
Purchase of Investments	—
Net Cash Provided by Investing Activities	20,390
Net Decrease in Cash and Cash Equivalents	-791,348
Cash and Cash Equivalents, Beginning of Year	11,434,123
Cash and Cash Equivalents, End of Year	\$ 10,642,775

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, 2021

	Clayton State University
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ -56,840,795
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	5,879,081
Operating Expenses Related to Noncash Gifts	—
Change in Assets and Liabilities:	
Receivables, net	(693,550)
Inventories	5,762
Prepaid Items	2,359
Other Assets	
Notes Receivable, Net	6,188
Accounts Payable	238,748
Salaries Payable	(80,642)
Benefits Payable	11,755
Contracts Payable	—
Retainage Payable	—
Deposits	-30,237
Advances (Including Tuition and Fees)	210,823
Other Liabilities	(24,560)
Funds Held for Others	(617)
Compensated Absences	112,342
Due to Affiliated Organizations	(4,000)
Pollution Remediation	—
Claims and Judgments	—
Net Pension Liability	3,691,750
Other Post-Employment Benefit Liability	10,281,230
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	-2,205,279
Deferred Outflows of Resources	-6,857,036
Net Cash Used by Operating Activities	<u>\$ -46,296,678</u>

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

Noncapital Financing Activities Noncash Items:	
Noncapital Gifts	<u>\$ —</u>
Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	<u>\$ 4,907,843</u>
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	<u>\$ —</u>
New Non-Capital Financing Debt	<u>\$ —</u>
Increase in Non-Capital Debt Related to Capitalized Interest	<u>\$ —</u>
Other Noncapital Financing Activities Noncash Items	<u>\$ —</u>
Edit Description Other Noncapital Financing Activities Noncash Items	<u>\$ —</u>
Capital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	<u>\$ 373,294</u>
Gift of Capital Assets	<u>\$ —</u>
Gain (Loss) on Disposal of Capital Assets	<u>\$ (91,941)</u>
Accrual of Capital Asset Related Payables	<u>\$ 183,829</u>

Capital Assets Acquired Through Prepaid Capital	\$ —
Capital Assets Acquired by Incurring Capital Lease Obligations	\$ —
Deferred Gain (Loss) due to Debt Refundings	\$ 1,839,452
Increase in Capital Debt due to Capitalized Interest	\$ —
Early Extinguishment of Capital Debt	\$ —
Amortization of Capital Financing Activities Advances and Deferred Inflows	\$ —
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	\$ 266,271
Accrual of Capital Financing Interest Payable	\$ —
Other Capital Financing Activities Noncash Items	\$ 75,091
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	\$ —
Gift of Investments	\$ —
Other Investing Activities Noncash Items	\$ —

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

CLAYTON STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ —
Other	1,687,852
	<hr/>
Total Assets	<u><u>1,688,192</u></u>
LIABILITIES	
Cash Overdraft	1,500,495
Accounts Payable	730
Advances	97,434
Deposits held for other organizations	4,556
	<hr/>
Total Liabilities	<u><u>1,603,215</u></u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 84,977</u></u>

CLAYTON STATE UNIVERSITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021

Custodial Funds

ADDITIONS

Federal Financial Aid	32,944,251
State Financial Aid	7,622,894
Other Financial Aid	495,625
Clubs and Other Organizations Fund Raising	300,476
Total Additions	<u>41,363,246</u>

DEDUCTIONS

Scholarships and Other Student Support	41,062,771
Student Organizations Support	281,692
Total Deductions	<u>41,344,463</u>

Net Increase (Decrease) in Fiduciary Net Position	<u>18,783</u>
---	---------------

Net Position, Beginning of Year	
Net Position, Beginning of Year, As Originally Reported	66,194
Prior Year Adjustments	<u>—</u>

Net Position, Beginning of Year	<u>66,194</u>
---------------------------------	---------------

Net Position, End of Year	<u><u>\$ 84,977</u></u>
---------------------------	-------------------------

Notes to the Financial Statements

CLAYTON STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 University is part of the University System of Georgia (USG), an organizational unit of the State of Georgia (the State) under the governance of the Board of Regents (Board). The Board has constitutional authority to govern, control and manage the USG. The Board is composed of 19 members, one member from each congressional district in the State and five additional members from the state-at-large, appointed by the Governor and confirmed by the Senate. Members of the Board serve a seven year term and members may be reappointed to subsequent terms by a sitting governor.

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

The accompanying basic financial statements are intended to supplement the State's 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, 2021, 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 and fiduciary fund financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. All significant intra-fund transactions have been eliminated.

The University reports the following fiduciary fund:

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

New Accounting Pronouncements

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61, effective for fiscal years beginning after December 15, 2018. In fiscal year 2020, the University adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which postponed the effective date of Statement No. 90 to fiscal year 2021. This statement addresses owning or acquiring a majority of the equity interest in a legally separate organization. The adoption of this Statement does not have a significant impact on the University's financial statements.

Cash and Cash Equivalents

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

Short-Term Investments

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

Investments

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

Accounts Receivable

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

Inventories

Consumable supplies are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis. Resale inventories are valued at cost using 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, 2021 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 USG. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

For projects managed by GSFIC, GSFIC retains construction in progress in its accounting records throughout the construction period and transfers the entire project to the institutional unit of the 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 financed the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The balance included on the University's Statement of Net Position as Due from USO - Capital Liability Reserve Fund represents the University's contribution to the Fund.

Deferred Outflows of Resources

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

Deposits

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

Advances

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

Deposits Held for Other Organizations

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

Claims and Judgments

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

Other Post-Employment Benefit (OPEB)

The net OPEB liability represents the University's proportionate share of the difference between the total OPEB liability and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Board of Regents Retiree Health Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions and Net Pension Liability

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

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

Net Position

The University's net position is classified as follows:

Net investment in capital assets represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. 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. The University maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

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

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

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

Income Taxes

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

Classification of Revenues and Expenses

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

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

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$13,119,098.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2021 are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Statement of Net Position

Current

Cash and Cash Equivalents	\$	10,273,164
Cash and Cash Equivalents (Externally Restricted)		369,611
Short-Term Investments		—
Short-term Investments (Externally Restricted)		—

Noncurrent

Investments		—
Non Current - Investments		—
Noncurrent Cash (Externally Restricted)		—
Noncurrent Short Term Investments (Externally Restricted)		—
Noncurrent Investments (Externally Restricted)		—

Statement of Fiduciary Net Position

Cash and Cash Equivalents		-1,500,495
Investments		0
	\$	<u>9,142,280</u>

Cash on hand, deposits and investments as of June 30, 2021 consist of the following:

Cash on Hand	\$	4,621
Deposits with Financial Institutions		8,466,033
Investments		671,626
	\$	<u>9,142,280</u>

A. Deposits with Financial Institutions

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

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

6. Letters of credit issued by a Federal Home Loan Bank.

7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

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

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

At June 30, 2021, the bank balances of the University's deposits totaled \$8,369,247. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the USG. Of these deposits, \$0 were exposed to custodial credit risk.

B. Investments

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

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

Board of Regents Pooled Investment Program

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

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

The University's position is the pooled investment fund options are described below.

1. Short-Term Fund

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

value of the University's position in the Short-Term Fund at June 30, 2021 was \$296,230, of which 100% is invested in debt securities. The Effective Duration of the Fund is 0.89 years.

Office of the State Treasurer Investment Pool

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the U.S. Securities and Exchange Commission as an investment company, and the State does not consider Georgia Fund 1 to be a 2a7-like pool. This investment is valued at the pool's share price, \$1 per share. The Georgia Fund 1 Investment Pool is an AAAs rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 36 days.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The University does not have a formal policy for managing interest rate risk for investments.

	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment Pools						
Board of Regents						
Short-Term Fund	\$ 296,230					
Diversified Fund For Foundations	—					
Office of the State Treasurer						
Georgia Fund 1	375,396					
Total Investments	<u>\$ 671,626</u>					

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University does not have a formal policy for managing credit quality risk for investments.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2021:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 2,819,965	\$ 4,967
Auxiliary Enterprises and Other Operating Activities	1,113,792	
Federal Financial Assistance	6,442,861	
State General Appropriations Allotment		
Georgia Student Finance Commission		525,857
Georgia State Financing and Investment Commission	4,702	
Margin Allocation Funds		
Due from Affiliated Organizations	204,175	
Due from Component Units	1,655,106	
Due From Other USG Institutions	658,105	
Other	147,060	
	13,045,766	530,824
Less: Allowance for Doubtful Accounts	3,143,404	3,262
Net Accounts Receivable	<u>\$ 9,902,362</u>	<u>\$ 527,562</u>

Note 4 Inventories

Inventories consisted of the following at June 30, 2021:

Consumable Supplies	\$ —
Merchandise for Resale	<u>1,451</u>
Total	<u>\$ 1,451</u>

Note 5 Notes and Loans Receivable

As of June 30, 2021, Clayton State University had no outstanding Notes/Loan Receivables.

Note 6 Capital Assets

Changes in capital assets for the year ended June 30, 2021 are shown below:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
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	1,146,814			1,146,814
Building and Building Improvements	183,863,288	5,792,527		189,655,815
Facilities and Other Improvements	150,442			150,442
Equipment	9,676,325	623,432	142,498	10,157,259
Library Collections	7,607,785	129,898	215,542	7,522,141
Total Capital Assets Being Depreciated/Amortized	202,444,654	6,545,857	358,040	208,632,471
Less: Accumulated Depreciation/Amortization				
Infrastructure	—	51,607		51,607
Building and Building Improvements	72,778,237	5,164,602		77,942,839
Facilities and Other Improvements	112,134	7,229		119,363
Equipment	8,056,722	350,585	50,557	8,356,750
Library Collections	6,242,496	305,058	215,542	6,332,012
Total Accumulated Depreciation/Amortization	87,189,589	5,879,081	266,099	92,802,571
Total Capital Assets, Being Depreciated/Amortized, Net	115,255,065	666,776	91,941	115,829,900
Capital Assets, net	\$ 117,671,797	\$ 666,776	\$ 91,941	\$ 118,246,632

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. For the year ended June 30, 2021, the core renovations project managed by GSFIC was completed. GSFIC transferred capital additions to the University from GSFIC-managed projects valued at \$5,792,527 to the University. In addition, at June 30, 2021, GSFIC had construction in progress of approximately \$6,468,684 for incomplete GSFIC managed projects for the University.

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

Fiscal Year	Depreciation Expense
2021	\$ 5,879,081
2020	\$ 5,784,499
2019	\$ 5,800,505

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2021:

	Current Liabilities
Prepaid Tuition and Fees	\$ 1,623,371
Other - Advances	508,504
Totals	<u>\$ 2,131,875</u>

Fiduciary fund advances in the amount of \$97,434 consists of student support received prior to eligibility requirements being met.

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2021 was as follows:

	Restated Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion
Leases					
Lease Purchase Obligations	\$ 63,621,407	29,755,000	33,915,905	\$ 59,460,502	\$ 2,286,694
Other Liabilities					
Compensated Absences	2,446,711	1,643,575	1,531,233	2,559,053	1,489,978
Total Long-Term Obligations	<u>\$ 66,068,118</u>	<u>31,398,575</u>	<u>35,447,138</u>	<u>\$ 62,019,555</u>	<u>\$ 3,776,672</u>

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

Notes and Loans Payable

At of June 30th, 2021, the University had no Notes and Loans Payable.

Pollution Remediation

The University is responsible for pollution remediation at all institutional sites including, but not limited to ground contamination, storage/treatment/disposal of hazardous materials, and asbestos abatement. Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations. As of June 30th, 2021, the University did not have any pollution remediation obligations.

Note 9 Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2021, consisted of the following:

Deferred Outflow of Resources

Deferred Outflow on Debt Refunding	
Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	12,023,364
Deferred Outflow on OPEB Plan (See Note 17)	10,720,686
Total Deferred Outflows of Resources	\$ 22,744,050

Deferred Inflow of Resources

Deferred Inflow on Debt Refunding	\$ 10,664,568
Unavailable Revenues	
Deferred Inflow on Defined Benefit Pension Plans (See Note 14)	761,562
Deferred Inflow on OPEB Plan (See Note 17)	6,238,908
Total Deferred Inflows of Resources	\$ 17,665,038

Deferred Outflow/Inflow on Debt Refunding

In December 2017, the Clayton State Foundation refunded the bonds associated with the Laker Hall and Student Activities building leases and passed the perceived economic advantages of the refund to the University. The net savings to the institution resulting from this refund is \$10,135,922 for the difference in the cash flow requirements between the original lease and the revised lease. The institution recognized a Deferred Inflow on Debt refunding in the amount of \$244,630. The unamortized Deferred Inflow on Debt Refunding at year end related to this transaction is \$8,846,757.

In April 2021, the Clayton State Foundation refunded the bonds associated with the Laker Village building lease and passed the perceived economic advantages of the refund to the University. The net savings to the institution resulting from this refund is \$1,839,452 for the difference in the cash flow requirements between the original lease and the revised lease. The institution recognized a Deferred Inflow on Debt refunding in the amount of \$21,641. The unamortized Deferred Inflow on Debt Refunding at year end related to this transaction is \$1,817,811.

Service Concessions Arrangements

At June 30, 2021, 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, 2021 is as follows:

Net Investment in Capital Assets	\$ 47,937,732
Restricted for	
Nonexpendable	
Permanent Endowment	1,650,680
Expendable	
Sponsored and Other Organized Activities	—
Federal Loans	7,335
Sub-Total	7,335
Unrestricted	
Auxiliary Enterprises Operations	6,160,070
Reserve for Encumbrances	3,877,870
Capital Liability Reserve Fund	578,205
Other Unrestricted	-89,976,789
Sub-Total	-79,360,644
Total Net Position	\$ -29,764,897

In fiscal year 2018, the University implemented GASB Statement No. 75. This Statement requires the institution to record net OPEB liability each year. For fiscal year 2021, the institution's OPEB liability increased by \$10,281,230. Pension liability also increased by \$3,691,750 based on actuarial calculations. These increases as well as changes in deferred inflow and outflow of resources related to OPEB accounted primarily for the \$1,199,948 decrease in unrestricted net position. The OPEB and pension balances are mostly funded through state appropriation and student tuition and fees that are subject to State surplus rules, which prevent the accumulation of budgetary fund balance. Therefore, the University is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in Net Position for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Net Investments in Capital Assets	\$ 44,959,003	\$ 40,461,762	\$ 37,483,033	\$ 47,937,732
Restricted Net Position	1,653,667	36,992,333	36,987,985	1,658,015
Unrestricted Net Position	-78,160,696	64,871,971	66,071,919	-79,360,644
Total Net Position	\$ -31,548,026	\$ 142,326,066	\$ 140,542,937	\$ -29,764,897

Note 11 Endowments

Donor Restricted Endowments

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. For University controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized

appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation on endowment investments available for authorization for expenditure was \$67,757 and is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the University's endowment funds is predicated on the total return concept. Annual payouts from the University's endowment funds are based on a spending policy which applies a payout rate of 4% to a moving average market value (the prior five years' market value as of December 31). To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the University uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

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

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2021. In addition to these encumbrances, the University had no other significant unearned outstanding construction or renovation contracts in the amount of \$0 executed as of June 30, 2021. This amount is not reflected in the accompanying basic financial statements.

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 payments related to capital leases for fiscal year 2021 were \$2,321,454 and \$2,548,134, respectively. Interest rates range from 3.917% to 4.794%. The institution has \$59,460,502 in outstanding lease obligations due to a related party organization.

The following is a summary of the carrying values of assets held under capital lease at June 30, 2021:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Capital Assets Held Under Capital Lease at June 30, 2021	Outstanding Balance per Lease Schedules at June 30, 2021
	(+)	(-)	(=)	
Leased Buildings and Building Improvements	\$ 80,588,876	\$ 29,658,734	\$ 50,930,142	\$ 59,460,502
Total Assets Held Under Capital Lease	<u>\$ 80,588,876</u>	<u>\$ 29,658,734</u>	<u>\$ 50,930,142</u>	<u>\$ 59,460,502</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
Laker Hall	CSU Foundation	\$ 20,166,921	21 years	January 2018	June 2038	\$ 16,646,178	(1)
Student Activity Center	CSU Foundation	20,766,948	21 years	January 2018	June 2038	13,494,324	(1)
Laker Village	CSU Foundation	30,140,117	30 years	August 2008	June 2042	29,320,000	(1)
Total Leases		<u>\$ 71,073,986</u>				<u>\$ 59,460,502</u>	

(1) These capital leases are related party transactions.

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

Operating Leases

The University leases land, facilities, office and computer equipment, and other assets. Some of these leases are considered for accounting purposes to be operating leases. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. Other leases generally contain provisions that, at the expiration date of the original term of the lease, the University has the option of renewing the lease on a year-to-year basis. Leases renewed yearly for a specified time period, i.e. lease expires at 12 months and must be renewed for the next year, may not meet the qualification as an operating lease. The University's operating lease expense for fiscal 2021 was \$294,450 none of which includes payments to related parties. For fiscal year 2022, the University is obligated to pay \$302,449 in operating lease expenses, none of which includes payments to related parties.

Future commitments for capital leases and for non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2021, are as follows:

	Real Property and Equipment	
	Capital Leases	Operating Leases
Year Ending June 30:		
2022	\$ 5,492,321	\$ 302,449
2023	5,499,696	
2024	5,399,632	
2025	5,438,101	
2026	5,472,398	
2027 through 2031	25,068,563	
2032 through 2036	26,798,925	
2037 through 2041	19,817,192	
2042 through 2046	2,672,073	
2047 through 2051	—	
2052 through 2056	—	
2057 through 2061	—	
Total Minimum Lease Payments	101,658,901	<u>\$ 302,449</u>
Less: Interest	28,775,478	
Less: Executory Costs	13,422,921	
Principal Outstanding	<u>\$ 59,460,502</u>	

Note 14. Retirement Plans

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

The Institution also provides one other retirement plan - the Regents Retirement Plan.

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

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

General Information about the Teachers Retirement System

Plan description

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

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 2021. The University's contractually required contribution rate for the year ended June 30, 2021 was 19.06% of the University annual payroll. The University's contributions to TRS totaled \$4,090,773 for the year ended June 30, 2021.

General Information about the Employees' Retirement System

Plan description

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

Benefits provided

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

ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2021 was 19.91% of annual covered payroll for old plan members, 24.66% for new plan members and 21.57% for GSEPS members. The University's contributions to ERS totaled \$13,078 for the year ended June 30, 2021. 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, 2021, 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, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 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, 2020. At June 30, 2020, the University's TRS proportion was 0.170147%, which was an decrease of (0.004380)% from its proportion measured as of June 30, 2019. At June 30, 2020, the University's ERS proportion was 0.002103%, which was a increase of 0.000040% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the University recognized pension expense of \$6,839,324 for TRS and \$14,971 for ERS. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,794,981	\$ —	\$ 1,080	\$ —
Changes of assumptions	4,245,322	—	—	—
Net difference between projected and actual earnings on pension plan investments	992,701.00	—	1,252	—
Changes in proportion and differences between contributions and proportionate share of contributions	882,980	761,562	1,196	—
Contributions subsequent to the measurement date	4,090,773	—	13,078	—
Total	<u>\$ 12,006,757</u>	<u>\$ 761,562</u>	<u>\$ 16,606</u>	<u>\$ —</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, 2022. 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
2022	\$ 1,494,909	\$ (15)
2023	\$ 2,422,235	\$ 995
2024	\$ 2,412,105	\$ 1,453
2025	\$ 825,173	\$ 1,095
2026	\$ —	\$ —
Thereafter	\$ —	\$ —

Actuarial assumptions

The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return and the assumed annual rate of inflation.

Employees' Retirement System

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014 with the exception of the assumed investment rate of return.

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 %	-0.10 %
Domestic large equities	51.00 %	46.20 %	8.90 %
Domestic small equities	1.50 %	1.30 %	13.20 %
International developed market equities	12.40 %	12.40 %	8.90 %
International emerging market equities	5.10 %	5.10 %	10.90 %
Alternatives	— %	5.00 %	12.00 %
Total	<u>100.00 %</u>	<u>100.00 %</u>	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 7.25% and 7.30%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.25% for TRS and 7.30% for ERS, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Teachers Retirement System:

	1% Decrease 6.25%	Current discount rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	\$ 65,359,154	\$ 41,216,263	\$ 21,426,014

Employees' Retirement System:

	1% Decrease 6.30%	Current discount rate 7.30%	1% Increase 8.30%
Proportionate share of the net pension liability	\$ 124,702	\$ 88,641	\$ 57,867

Pension plan fiduciary net position

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

B. Defined Contribution Plan:**Regents Retirement Plan****Plan Description**

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

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2021, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University and the covered employees made the required contributions of \$1,596,239 (9.24%) and \$1,036,519 (6.00%), respectively.

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

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2021, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

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

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

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

Note 16 Contingencies

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

Litigation, claims and assessments filed against the University, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021.

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, healthcare plan administered by the University System Office, an organizational unit of the USG. The Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2021, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

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

The University's membership in the Plan consisted of the following at June 30, 2021:

Active Employees	599
Retirees or Beneficiaries Receiving Benefits	213
Retirees or Beneficiaries Eligible But Not Receiving Benefits	—
Retirees Receiving Life Insurance Only	<u>52</u>
Total	<u><u>864</u></u>

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

The University pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2021 plan year, the employer rate was approximately 85% of the total health insurance cost for eligible retirees and the retiree rate was approximately 15%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2021, the University contributed \$1,437,958 to the plan for current premiums or claims.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the University's proportion was 1.220599% which was a decrease of (0.005416)% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the University recognized OPEB expense of \$3,598,180. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,306,042	\$ 260,826
Changes of assumptions	5,976,686	4,642,593
Net difference between projected and actual earnings on OPEB plan investments	—	20,263
Changes in proportion and differences between contributions and proportionate share of contributions	—	1,315,226
Contributions subsequent to the measurement date	1,437,958	—
Total	<u>\$ 10,720,686</u>	<u>\$ 6,238,908</u>

The University's contributions subsequent to the measurement date of \$1,437,958 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2022	\$	(145,428)
2023	\$	(115,035)
2024	\$	467,583
2025	\$	523,736
2026	\$	740,947
Thereafter	\$	1,572,017

Actuarial assumptions

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of May 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2020 2.21% from Bond Buyers GO 20-Bond Municipal Bond Index Interest Rate as of 6/30/2019 3.50% from Bond Buyers GO 20-Bond Municipal Bond Index Long-term Rate of Return 3.75% General Inflation 2.10% Salary Increase 4.00%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2019
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	6.7%
Medicare Eligible	4.5%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4.5%
Year Ultimate Trend is Reached	Fiscal Year 2031 for Pre-Medicare Eligible, Fiscal Year 2020 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019. All other assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which cover the five year period ending June 30, 2014.

Changes in Assumptions Since Prior Valuation

Expected claims costs were updated to reflect actual claims experience. Trend rate schedule was updated to remove excise tax adjustments. Mortality improvement scale was updated from MP-2018 to MP-2019. The discount rate was update from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020. The withdrawal rates were updated to better reflect the anticipated future experience as the result of an assumption study. The coverage election assumption was updated to better reflect anticipated future experience as the result of an assumption study. The spousal coverage assumption and the spousal age difference assumption were updated to better reflect anticipated future experience as the result of an assumption study.

Plan Changes:

HRA cost sharing for employees hired on or after January 1, 2013 and retiring after January 1, 2018 is based on a policy that ties years of service to the amount the USG contributes based on 22-tiers ranging from 100% for employees retiring with 30 years of service to 21% for employees retiring with 10 years of service.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of May 1, 2020 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	— %	70 %
Equity Allocation	4.51 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2023 is \$0 based on the valuation completed for the fiscal year ending June 30, 2020. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2023, therefore, the long-term expected rate of return on Plan investments of 3.75% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 2.21% from the Bond Buyers GO 20-Bond Municipal Bond Index.

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

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current discount rate (2.21%):

	1% Decrease 1.21%	Current Rate 2.21%	1% Increase 3.21%
Proportionate Share of the Net OPEB Liability	\$ 79,366,815	\$ 65,103,324	\$ 53,688,017

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 53,980,793	\$ 65,103,324	\$ 79,206,651
Pre-Medicare Eligible	5.7% decreasing to 3.5%	6.7% decreasing to 4.5%	7.7% decreasing to 5.5%
Medicare Eligible	3.5%	4.5%	5.5%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2021 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 19,497,758	\$ 2,071,782	\$ 6,211,470	\$ 21,680	\$ 4,019
Research	67,141	334,598	100,801	—	—
Public Service	3,756	89,351	29,056	—	—
Academic Support	2,123,683	3,027,651	1,516,005	878	222
Student Services	10,500	5,007,629	1,803,482	5,000	1,260
Institutional Support	210,450	5,809,427	8,433,451	342,240	4,579
Plant Operations and Maintenance	—	2,567,483	1,128,498	—	—
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	—	2,048,398	681,873	92,155	7,101
Total Operating Expenses	<u>\$ 21,913,288</u>	<u>\$ 20,956,319</u>	<u>\$ 19,904,636</u>	<u>\$ 461,953</u>	<u>\$ 17,181</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ —	\$ 114,972	\$ 1,492,878	1,428,530	\$ 30,843,089
Research	—	891	110,320	30,285	644,036
Public Service	17,141	841	77,980	—	218,125
Academic Support	49,917	3,564	2,956,518	466,447	10,144,885
Student Services	85,550	6,826	858,979	916,047	8,695,273
Institutional Support	—	167,460	2,729,146	66,363	17,763,116
Plant Operations and Maintenance	—	1,566,302	1,533,155	885,994	7,681,432
Scholarships and Fellowships	12,510,213	—	—	—	12,510,213
Auxiliary Enterprises	697,738	690,747	2,978,865	2,085,415	9,282,292
Total Operating Expenses	<u>\$ 13,360,559</u>	<u>\$ 2,551,603</u>	<u>\$ 12,737,841</u>	<u>\$ 5,879,081</u>	<u>\$ 97,782,461</u>

Required Supplementary Information

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contributio n Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2021	\$ 13,078	\$ 13,078	\$ —	\$ 53,034	24.66%
	June 30, 2020	\$ 13,078	\$ 13,078	\$ —	\$ 53,034	24.66%
	June 30, 2019	\$ 12,884	\$ 12,884	\$ —	\$ 51,994	24.78%
	June 30, 2018	\$ 12,900	\$ 12,900	\$ —	\$ 51,994	24.81%
	June 30, 2017	\$ 12,647	\$ 12,647	\$ —	\$ 50,975	24.81%
	June 30, 2016	\$ 18,077	\$ 18,077	\$ —	\$ 56,106	32.22%
	June 30, 2015	\$ 13,183	\$ 13,183	\$ —	\$ 57,729	22.84%
	June 30, 2014	\$ 11,907	\$ 11,907	\$ —	\$ 57,736	20.62%
	June 30, 2013	\$ 7,699	\$ 7,699	\$ —	\$ 55,000	14.00%
	June 30, 2012	\$ 6,450	\$ 6,450	\$ —	\$ 55,460	11.63%
Teachers' Retirement System	June 30, 2021	\$ 4,090,773	\$ 4,090,773	\$ —	\$ 21,462,610	19.06%
	June 30, 2020	\$ 4,659,410	\$ 4,659,410	\$ —	\$ 22,040,728	21.14%
	June 30, 2019	\$ 4,463,934	\$ 4,463,934	\$ —	\$ 21,358,536	20.90%
	June 30, 2018	\$ 3,354,290	\$ 3,354,290	\$ —	\$ 19,954,138	16.81%
	June 30, 2017	\$ 2,715,173	\$ 2,715,173	\$ —	\$ 19,027,135	14.27%
	June 30, 2016	\$ 2,651,797	\$ 2,651,797	\$ —	\$ 18,543,983	14.30%
	June 30, 2015	\$ 2,183,848	\$ 2,183,848	\$ —	\$ 18,430,429	11.85%
	June 30, 2014	\$ 2,214,062	\$ 2,214,062	\$ —	\$ 18,090,504	12.24%
	June 30, 2013	\$ 1,996,588	\$ 1,996,588	\$ —	\$ 17,498,688	11.41%
	June 30, 2012	\$ 1,769,829	\$ 1,769,829	\$ —	\$ 17,216,235	10.28%

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2021	0.002103%	\$ 88,641	\$ 53,034	167.14%	76.21%
	June 30, 2020	0.002063%	\$ 85,130	\$ 51,994	163.73%	76.74%
	June 30, 2019	0.002038%	\$ 83,783	\$ 51,994	161.14%	76.68%
	June 30, 2018	0.002078%	\$ 84,395	\$ 50,975	165.56%	76.33%
	June 30, 2017	0.002741%	\$ 129,661	\$ 56,106	231.10%	72.34%
	June 30, 2016	0.002355%	\$ 95,410	\$ 57,729	165.27%	81.44%
	June 30, 2015	0.001814 %	\$ 68,036	\$ 57,736	117.84%	77.99 %
Teachers Retirement System	June 30, 2021	0.170147%	\$ 41,216,263	\$ 22,040,728	187.00%	77.01%
	June 30, 2020	0.174527%	\$ 37,528,024	\$ 21,358,536	175.71%	78.56%
	June 30, 2019	0.167517%	\$ 31,094,743	\$ 19,954,138	155.83%	80.27%
	June 30, 2018	0.165556%	\$ 30,769,093	\$ 19,027,135	161.71%	79.33%
	June 30, 2017	0.167767%	\$ 34,612,203	\$ 18,543,983	186.65%	76.06%
	June 30, 2016	0.172889%	\$ 26,320,633	\$ 18,430,429	142.81%	81.44%
	June 30, 2015	0.174317 %	\$ 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, 2021**

Changes of assumptions

Employees' Retirement System:

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

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 Measurement Date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 actuarial valuation.

Changes of benefit terms: A new benefit tier was added for members joining the System on and after July 1, 2009. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016, and a one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

Teachers Retirement System:

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

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

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

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

**CLAYTON STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST FIVE YEARS***

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2021	\$ 1,437,958	\$ 1,437,958	\$ —	\$ 40,121,626	3.58%
June 30, 2020	\$ 1,254,678	\$ 1,254,678	\$ —	\$ 39,987,373	3.14%
June 30, 2019	\$ 1,966,320	\$ 1,966,320	\$ —	\$ 39,228,420	5.01%
June 30, 2018	\$ 1,946,369	\$ 1,946,369	\$ —	\$ 37,128,669	5.24%
June 30, 2017	\$ 1,251,845	\$ 1,251,845	\$ —	\$ 37,178,530	3.37%

*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
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST FOUR YEARS***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2021	1.220599%	\$ 65,103,324	\$ 39,987,373	162.81%	2.91%
June 30, 2020	1.226015%	\$ 54,822,094	\$ 39,228,420	139.75%	3.13%
June 30, 2019	1.228614%	\$ 54,191,106	\$ 37,128,669	145.95%	1.69%
June 30, 2018	1.257076%	\$ 53,045,161	\$ 37,178,530	142.68%	0.19%

*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 FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Assumptions Since Prior Valuation

Expected claims costs were updated to reflect actual claims experience. Trend rate schedule was updated to remove excise tax adjustments. Mortality improvement scale was updated from MP-2018 to MP-2019. The discount rate was update from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020. The withdrawal rates were updated to better reflect the anticipated future experience as the result of an assumption study. The coverage election assumption was updated to better reflect anticipated future experience as the result of an assumption study. The spousal coverage assumption and the spousal age difference assumption were updated to better reflect anticipated future experience as the result of an assumption study.

Plan Changes:

HRA cost sharing for employees hired on or after January 1, 2013 and retiring after January 1, 2018 is based on a policy that ties years of service to the amount the USG contributes based on 22-tiers ranging from 100% for employees retiring with 30 years of service to 21% for employees retiring with 10 years of service.

Supplementary Information

CLAYTON STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2021
(UNAUDITED)

ASSETS

Cash and Cash Equivalents	\$	1,101,302.90
Investments		—
Accounts Receivable		
State Appropriation		—
Federal Financial Assistance		7,050,282.50
Other		4,033,625.85
Margin Allocation		—
Prepaid Expenditures		147,150.81
Inventories		—
Other Assets		79,900.00
		<hr/>
Total Assets	\$	<u>12,412,262.06</u>

LIABILITIES AND FUND EQUITY

Liabilities

Cash Overdraft	\$	—
Contracts Payable		—
Accrued Payroll	\$	253,669.87
Payroll Withholdings		—
Encumbrance Payable		3,801,816.93
Accounts Payable		747,861.27
Unearned Revenue		1,766,338.72
Funds Held for Others		35,174.05
Other Liabilities		(5,889.77)
		<hr/>
Total Liabilities		<u>6,598,971.07</u>

Fund Balances

Reserved		
Capital Outlay		—
Department Sales and Services		2,074,875.62
Indirect Cost Recoveries		356,235.39
Technology Fees		338,618.92
Restricted/Sponsored Funds		—
Uncollectible Accounts Receivable		2,106,304.67
Inventories		—
Tuition Carry - Forward		853,694.30
Carry-Over "Per Governor's Office of Planning and Budget"		—
Early Retirement Program		—
Unreserved		
Surplus		83,562.09
		<hr/>
Total Fund Balances		<u>5,813,290.99</u>
		<hr/>
Total Liabilities and Fund Balances	\$	<u>12,412,262.06</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
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Funds Available Compared to Budget			
	Original Appropriation	Final 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	—	—	—	—
Other Funds	—	—	—	—
Total Public Service / Special Funding Initiatives	—	—	—	—
Research Consortium				
State Appropriation				
State General Funds	—	—	—	—
Tobacco Funds	—	—	—	—
Other Funds	—	—	—	—
Total Research Consortium	—	—	—	—
Teaching				
State Appropriation				
State General Funds	\$ 25,355,151.00	\$ 26,385,003.00	\$ 26,385,003.00	\$ —
Federal Funds - COVID19				
Federal Funds Not Itemized - Covid	—	11,643,047.00	11,328,203.35	—
State Fiscal Stabilization Fund				
Other Funds	54,771,993.00	60,842,002.00	56,494,937.95	2,876,968.70
Total Teaching	80,127,144.00	98,870,052.00	94,208,144.30	2,876,968.70
Total Operating Activity	80,127,144.00	98,870,052.00	94,208,144.30	2,876,968.70

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

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, 2021

	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						
Other Funds	—	—	—	—	—	—
Total Public Service / Special Funding Initiatives	—	—	—	—	—	—
Research Consortium						
State Appropriation						
State General Funds	—	—	—	—	—	—
Tobacco Funds	—	—	—	—	—	—
Other Funds	—	—	—	—	—	—
Total Research Consortium	—	—	—	—	—	—
Teaching						
State Appropriation						
State General Funds	\$ —	\$ 26,385,003.00	\$ —	\$ 26,384,084.30	\$ 918.70	\$ 918.70
Federal Funds - COVID19						
Federal Funds Not Itemized - Covid	—	11,328,203.35	-314,843.65	11,328,203.35	314,843.65	—
State Fiscal Stabilization Fund						
Other Funds	—	59,371,906.65	-1,470,095.35	55,696,964.59	5,145,037.41	3,674,942.06
Total Teaching	—	97,085,113.00	(1,784,939.00)	93,409,252.24	5,460,799.76	3,675,860.76
Total Operating Activity	—	97,085,113.00	(1,784,939.00)	93,409,252.24	5,460,799.76	3,675,860.76

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, 2021

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2020 Surplus	Prior Year Adjustments	Other Adjustments
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	—	—	—	—	—
Tobacco Funds	—	—	—	—	—
Federal Stimulus Stabilization Funds	—	—	—	—	—
Other Funds	—	—	—	—	—
Total Public Service / Special Funding Initiatives	—	—	—	—	—
Research Consortium					
State Appropriation					
State General Funds	—	—	—	—	—
Tobacco Funds	—	—	—	—	—
Federal Stimulus Stabilization Funds	—	—	—	—	—
Other Funds	—	—	—	—	—
Total Research Consortium	—	—	—	—	—
Teaching					
State Appropriation					
State General Funds	\$ 46,676.85	\$ —	\$ -46,676.85	\$ 6,054.51	\$ —
Federal Funds -COVID19					
Federal Funds Not Itemized - Covid	—	—	—	—	—
Other Funds	2,916,119.34	-2,876,968.70	-39,150.64	6,015.05	19,056.00
Total Teaching	2,962,796.19	-2,876,968.70	-85,827.49	12,069.56	19,056.00
Total Operating Activity	2,962,796.19	-2,876,968.70	-85,827.49	12,069.56	19,056.00
Prior Year Reserves					
Not Available for Expenditure					
Inventories	—				—
Uncollectible Accounts Receivable	2,125,360.67				(19,056.00)
Early Retirement Program (Georgia Health Sciences University)	—				—
Budget Unit Totals	\$ 5,088,156.86	\$ -2,876,968.70	\$ -85,827.49	\$ 12,069.56	\$ —

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, 2021

	Early Return of Fiscal Year 2021 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	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	—	—	—	—	—	—
Research Consortium						
State Appropriation						
State General Funds	—	—	—	—	—	—
Tobacco Funds	—	—	—	—	—	—
Other Funds	—	—	—	—	—	—
Total Research Consortium	—	—	—	—	—	—
Teaching						
State Appropriation						
State General Funds	—	918.70	6,973.21	—	6,973.21	6,973.21
Federal Funds -COVID19						
Federal Funds Not Itemized - Covid	—	—	—	—	—	—
Other Funds	—	3,674,942.06	3,700,013.11	3,623,424.23	76,588.88	3,700,013.11
Total Teaching	—	3,675,860.76	3,706,986.32	3,623,424.23	83,562.09	3,706,986.32
Total Operating Activity	—	3,675,860.76	3,706,986.32	3,623,424.23	83,562.09	3,706,986.32
Prior Year Reserves						
Not Available for Expenditure						
Inventories			—	—		—
Uncollectible Accounts Receivable			2,106,304.67	2,106,304.67		2,106,304.67
Early Retirement Program (Georgia Health Sciences University)			—	—		—
Budget Unit Totals	—	3,675,860.76	5,813,290.99	5,729,728.90	83,562.09	5,813,290.99
Capital Outlay				—	—	—
Departmental Sales and Services				2,074,875.62	—	2,074,875.62
Indirect Cost Recovery				356,235.39	—	356,235.39
Technology Fees				338,618.92	—	338,618.92
Restricted/Sponsored Funds				—	—	—
Property Reserves				—	—	—
Tuition Carry-Forward				853,694.30	—	853,694.30
Uncollectible Accounts Receivable				2,106,304.67	—	2,106,304.67
Inventories				—	—	—
Early Retirement Program				—	—	—
Surplus				—	83,562.09	83,562.09
Deficit				—	—	—
				5,729,728.90	83,562.09	5,813,290.99

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

2000 Clayton State Blvd.
Morrow, GA 30260

www.clayton.edu