



**UNIVERSITY SYSTEM OF GEORGIA**

# **Fiscal Year 2021 Financial Update**

**January 13, 2022**

Claire Arnold  
Vice Chancellor for  
Internal Audit/Chief Audit Officer

Amanda Bibby  
Associate Vice Chancellor  
Accounting and Reporting



# UNIVERSITY SYSTEM OF GEORGIA

## Information Item #1: Financial Engagement Results For Fiscal Year Ended June 30, 2021

# Engagements

## Georgia Department of Audits (DOAA)

### Audits

- Augusta University(\*)
- Georgia Institute of Technology
- Georgia State University(\*)
- Kennesaw State University(\*)
- University of Georgia
- University System of Georgia

### Full Disclosure Management Reports (FDMR)

- Atlanta Metropolitan State College(\*)
- Columbus State University (\*)
- Dalton State College(\*)
- Georgia Gwinnett College
- Georgia Southern University
- Georgia Southwestern State University
- Middle Georgia State University(\*)
- Savannah State University(\*)
- South Georgia State College(\*)
- University of North Georgia(\*)

## Mauldin & Jenkins

### Agreed Upon Procedures Engagements

- Albany State University
- Clayton State University
- Georgia College & State University

### USG Internal Audits

- Abraham Baldwin Agricultural College
- College of Coastal Georgia
- East Georgia State College
- Fort Valley State University
- Georgia Highlands College
- Gordon State College
- University of West Georgia
- Valdosta State University

(\*) Student Financial Aid Compliance Testing Conducted



# Results – DOAA Financial Engagements

## **No Audit Findings Noted –**

Augusta State University  
Georgia Institute of Technology  
Georgia State University  
Kennesaw State University  
University of Georgia  
USG Consolidated Annual Financial Report

## **No FDMR Findings Noted –**

Atlanta Metropolitan State College  
Columbus State University  
Dalton State College  
Georgia Gwinnett College  
Georgia Southern University  
Georgia Southwestern State University  
Middle Georgia State University  
South Georgia State College  
University of North Georgia



# Results – DOAA Financial Engagements

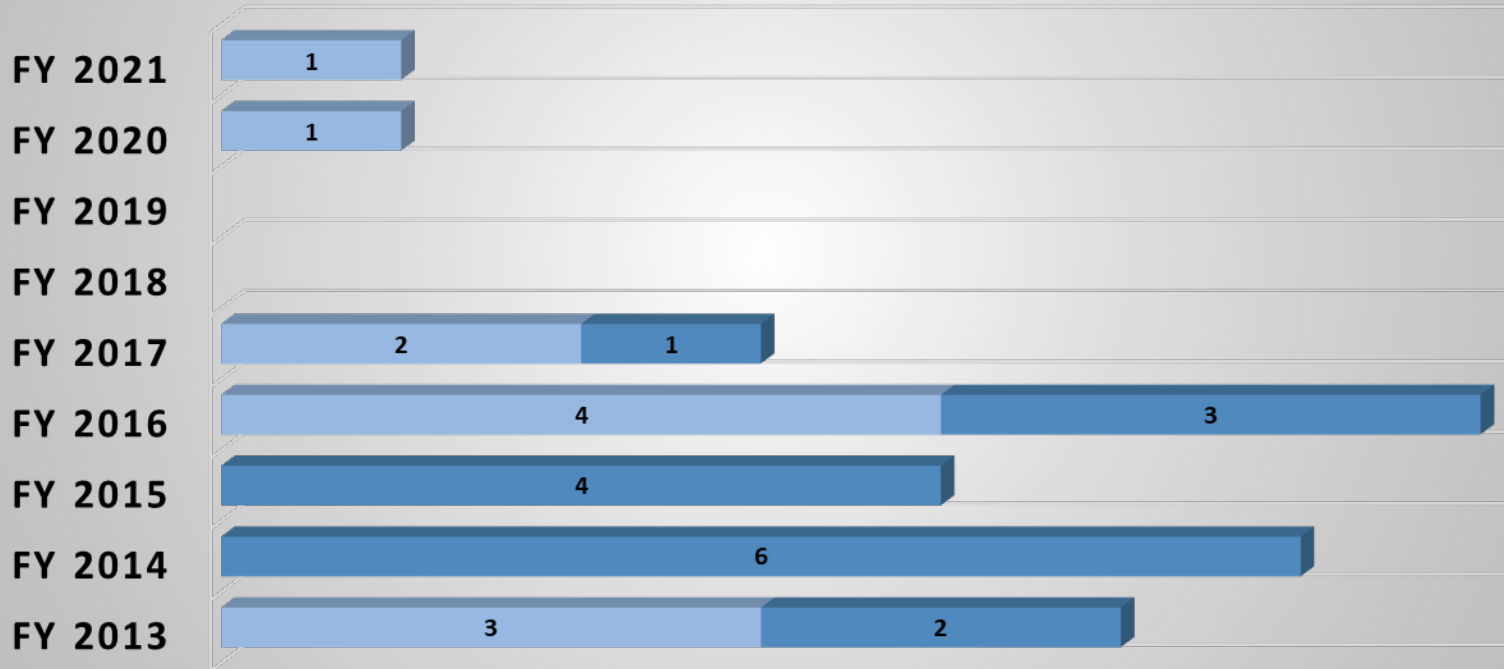
## Savannah State University

Inadequate Controls Over the Financial Reporting Process –  
Material Weakness



# FINANCIAL STATEMENT FINDINGS

Material Weakness    Significant Deficiency



# Results – DOAA Student Financial Assistance Compliance Engagements

## **Atlanta Metropolitan State College**

Student Eligibility/Awarding

Return of Title IV Funds

Untimely and Inaccurate Enrollment Reporting

Verification

## **Dalton State College**

Segregation of Duties/Banner

Return of Title IV Funds

Untimely and Inaccurate Enrollment Reporting

## **Georgia State University**

Cash Management

## **Savannah State University**

Student Eligibility/Awarding

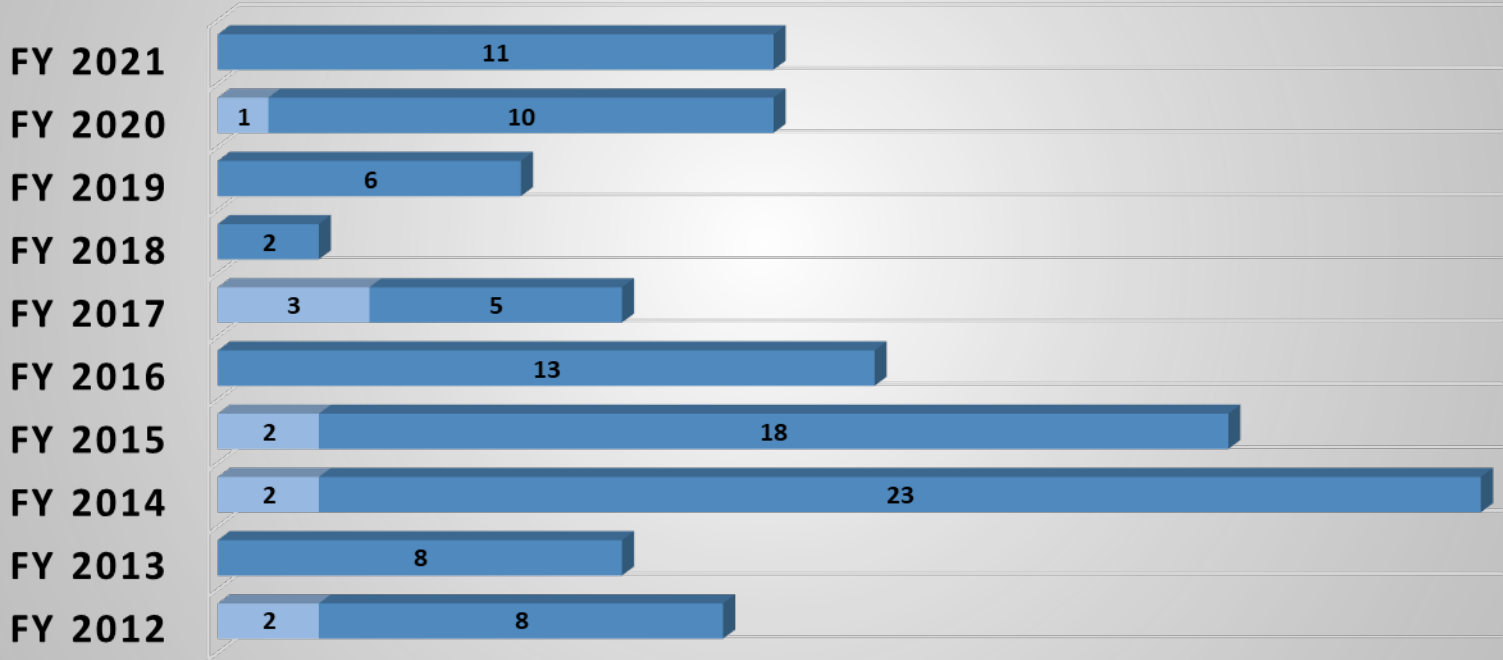
Return of Title IV Funds

Untimely and Inaccurate Enrollment Reporting



# FEDERAL FINANCIAL AID FINDINGS

Material Weakness      Significant Deficiency





# Results – External Engagements

## Agreed Upon Procedures (Financial)

- Albany State University – 3 Exceptions noted
- Clayton State University – 5 Exceptions noted
- Georgia College & State University - 5 Exceptions noted



# Results – Internal Audits Engagements

- Abraham Baldwin Agricultural College – No Exceptions Noted
- College of Coastal Georgia – 2 Exceptions Noted
- East Georgia State College – No Exceptions Noted
- Fort Valley State University – 4 Exceptions Noted
- Georgia Highlands College – No Exceptions Noted
- Gordon State College – 3 Exceptions Noted
- University of West Georgia – 4 Exceptions Noted
- Valdosta State University – 1 Exception Noted

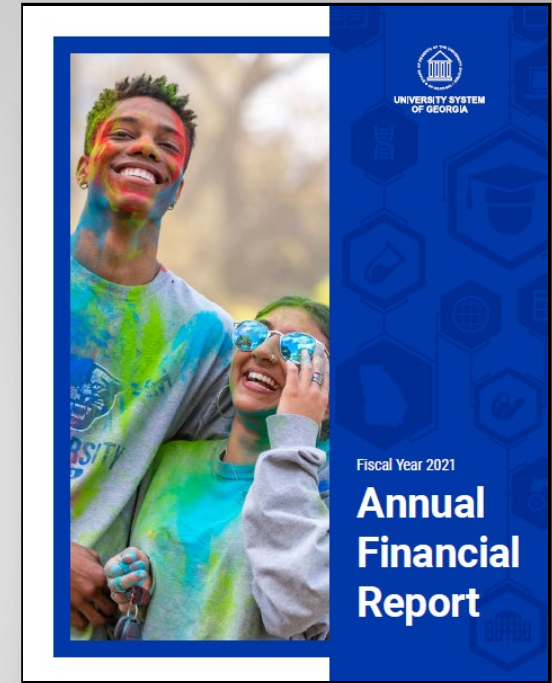


# Engagement Results – Follow-up

- Identify common issues and trends; provide needed training
- Monitor institution specific corrective action plans until all issues are resolved
- Develop process improvements designed to simplify reporting and help minimize errors



Information Item #2:  
University System of Georgia  
Consolidated Annual Financial Report  
For Fiscal Year Ended June 30, 2021



# Annual Financial Report Overview

- Highlights section
- Management Discussion and Analysis
- Consolidated Financial Statements and Notes
  - University System of Georgia
  - Discretely presented component units
- Supplementary Information section
  - USG institution financial information
  - Cooperative organization/foundation financial information



# Financial Highlights

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CONDENSED STATEMENT OF NET POSITION	June 30, 2021	6/30/2020	Increase/ (Decrease)	% Change
<b>ASSETS</b>				
Current Assets	2,839,880,142	2,553,028,484	286,851,658	11.24%
Capital Assets, Net	10,203,887,383	10,223,868,912	(19,981,529)	(0.20%)
Other Assets	553,790,803	464,775,983	89,014,820	19.15%
<b>TOTAL ASSETS</b>	<b>13,597,558,328</b>	<b>13,241,673,379</b>	<b>355,884,949</b>	<b>2.69%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,977,625,531</b>	<b>1,401,429,812</b>	<b>576,195,719</b>	<b>41.11%</b>
<b>LIABILITIES</b>				
Current Liabilities	846,521,068	824,007,285	22,513,783	2.73%
Non-Current Liabilities	11,729,145,080	10,635,140,082	1,094,004,998	10.29%
<b>TOTAL LIABILITIES</b>	<b>12,575,666,148</b>	<b>11,459,147,367</b>	<b>1,116,518,781</b>	<b>9.74%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,081,431,099</b>	<b>1,263,250,818</b>	<b>(181,819,719)</b>	<b>(14.39%)</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	7,247,753,741	7,127,418,774	120,334,967	1.69%
Restricted for:				
Nonexpendable	230,221,681	184,012,099	46,209,582	25.11%
Expendable	303,405,855	275,758,295	27,647,560	10.03%
Unrestricted (Deficit)	(5,863,294,665)	(5,666,484,162)	(196,810,503)	3.47%
<b>TOTAL NET POSITION</b>	<b>1,918,086,612</b>	<b>1,920,705,006</b>	<b>(2,618,394)</b>	<b>(0.14%)</b>

UNIVERSITY SYSTEM OF GEORGIA



# Revenue by Source

## Total \$9.2 Billion

REVENUE BY SOURCE	June 30, 2021	June 30, 2020	(Increase/ (Decrease)	% Change
Tuition and Fees	2,189,148,175	2,192,707,819	(3,559,644)	(0.16%)
Federal Appropriations	17,099,465	21,833,541	(4,734,076)	(21.68%)
Grants and Contracts	2,159,480,385	2,130,544,460	28,935,925	1.36%
Sales and Services	160,497,158	220,891,867	(60,394,709)	(27.34%)
Auxiliary	743,614,759	763,728,105	(20,113,346)	(2.63%)
Other	197,783,743	193,512,175	4,271,568	2.21%
<b>Total Operating Revenues</b>	<b>5,467,623,685</b>	<b>5,523,217,967</b>	<b>(55,594,282)</b>	<b>(1.01%)</b>
State Appropriations	2,300,832,823	2,551,358,929	(250,526,106)	(9.82%)
Grants and Contracts	1,024,407,304	882,691,582	141,715,722	16.05%
Gifts	79,094,225	67,463,780	11,630,445	17.24%
Investment Income	94,327,953	59,344,988	34,982,965	58.95%
<b>Total Nonoperating Revenues</b>	<b>3,498,662,305</b>	<b>3,560,859,279</b>	<b>(62,196,974)</b>	<b>(1.75%)</b>
State Capital Grants and Gifts	217,596,473	102,296,731	115,299,742	112.71%
Other Capital Gifts and Grants	24,776,448	19,292,017	5,484,431	28.43%
<b>Total Capital Gifts and Grants</b>	<b>242,372,921</b>	<b>121,588,748</b>	<b>120,784,173</b>	<b>99.34%</b>
Additions to Permanent Endowments	731,149	963,556	(232,407)	(24.12%)
<b>Total Revenues</b>	<b>9,209,390,060</b>	<b>9,206,629,550</b>	<b>2,760,510</b>	<b>0.03%</b>



# Operating Expenses

## Total \$9.2 Billion

EXPENSE BY FUNCTIONAL CLASSIFICATION	June 30, 2021	June 30, 2020	Increase/ (Decrease)	% Change
Instruction	\$ 2,118,202,683	\$ 2,201,888,980	\$ (83,686,297)	(3.80%)
Research	\$ 1,726,431,919	\$ 1,594,409,119	\$ 132,022,800	8.28%
Public Service	\$ 429,943,280	\$ 464,237,291	\$ (34,294,011)	(7.39%)
Academic Support	\$ 684,472,483	\$ 705,893,590	\$ (21,421,107)	(3.03%)
Student Services	\$ 332,881,316	\$ 356,838,705	\$ (23,957,389)	(6.71%)
Institutional Support	\$ 1,415,398,330	\$ 1,478,314,861	\$ (62,916,531)	(4.26%)
Plant Operations and Maintenance	\$ 745,639,613	\$ 771,910,294	\$ (26,270,681)	(3.40%)
Scholarships and Fellowships	\$ 440,062,106	\$ 452,123,081	\$ (12,060,975)	(2.67%)
Auxiliary Enterprises	\$ 732,924,667	\$ 707,469,928	\$ 25,454,739	3.60%
Patient Care	\$ 428,934,593	\$ 438,148,190	\$ (9,213,597)	(2.10%)
<b>Total Operating Expenses</b>	<b>\$ 9,054,890,990</b>	<b>\$ 9,171,234,039</b>	<b>\$ (116,343,049)</b>	<b>(1.27%)</b>
Interest Expense	\$ 125,930,111	\$ 133,684,315	\$ (7,754,204)	(5.80%)
Other Nonoperating Expense	\$ 33,269,864	\$ 28,893,369	\$ 4,376,495	15.15%
<b>Total Expenses</b>	<b>\$ 9,214,090,965</b>	<b>\$ 9,333,811,723</b>	<b>\$ (119,720,758)</b>	<b>(1.28%)</b>





# Questions?

