



SAVANNAH STATE UNIVERSITY

Review Report Fiscal Year 2022

Savannah, Georgia

SAVANNAH STATE UNIVERSITY
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Financial Section





INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Regents of the
University System of Georgia
and
Dr. Kimberly Ballard-Washington, President
Savannah State University

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of Savannah State University, as of and for the year ended June 30, 2022, and the related notes (financial statements), as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

Required Supplementary Information

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

Other Matters

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

This review report contains information pertinent to the Savannah State University's compliance with the requirements of the Southern Association of Colleges and Schools Commission on Colleges (COC) Standard 13.2 (Financial resources) as of and for the year ended June 30, 2022. Additionally, we performed procedures on Savannah State University's Federal Student Aid programs for the year ended June 30, 2022, to meet the requirements of COC Standard 13.6. Included in a separate Report on Review and Federal Compliance Procedures dated September 15, 2022 is a section on findings and other items for any matters that came to our attention during our engagement, including results of our testing of the Federal Student Aid programs.

Additionally, we have performed certain procedures at Savannah State University to support our audit of the basic financial statements of the State of Georgia presented in the State of Georgia Annual Comprehensive Financial Report and the issuance of a State of Georgia Single Audit Report pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2022.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

September 15, 2022

SAVANNAH STATE UNIVERSITY

Management's Discussion and Analysis

Introduction

Savannah State University (University) is one of the 26 institutions of higher education of the University System of Georgia. The University, was founded in 1890. Savannah State University (SSU) is the oldest public historically black college and university in Georgia. As the oldest institution of higher learning in the historic city of Savannah, and an enduring part of the state's history, the University has consistently served this community with distinction, meeting the educational needs of an increasingly diverse student population.

The 201-acre picturesque campus, located minutes from the Atlantic Ocean, with its moss-laden sweeping oak trees, expansive marsh, and historic architecture, creates a tranquil atmosphere for our students. Within the University's beautiful surroundings is a vibrant campus life, one where students are pursuing relevant academic majors, participating in engaging lectures and the very latest research, and where quality student-faculty engagement is commonplace. We invite you to continue exploring Savannah State University online, or come see for yourself to learn what it is like to be part of the Tiger family.

Undergraduate and graduate students pursue degrees offered through the colleges of Business Administration, Education, Liberal Arts & Social Sciences, Sciences and Technology.

The University has the only marine science undergraduate and graduate degree programs in Georgia based entirely on a coastal campus. The campus is located on a salt marsh tidal creek and on-campus docks and vessels provide access to estuaries and coastal environments for instruction and research.

The University is one of the few institutions in the country to offer the Bachelor of Arts degree in Homeland Security and Emergency Management, which prepares a new generation of responders to lead recovery efforts in the aftermath of natural and man-made disasters.

The Institution's student enrollment numbers, for fall semester, trended slightly down in FY22 when compared to previous years as shown below:

	STUDENT HEADCOUNT	CREDIT HOURS
FY 2022	3,395	42,632
FY 2021	3,488	44,626
FY 2020	3,688	49,033

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2022. The emphasis of discussions about these statements will be on current year data. There are three business-type activities 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 2022 and fiscal year 2021.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2022 and includes all assets and liabilities, both current and noncurrent. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the University and how much the University owes vendors. The difference between assets, deferred outflow of resources, liabilities and deferred inflows of resources (net position) is one indicator of

the University's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the University's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories.

The first category is net investment in capital assets. It 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, 2022	June 30, 2021	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 8,693,789	\$ 8,810,983	\$ (117,194)	(1.33)%
Capital Assets, Net	142,521,401	146,923,264	(4,401,863)	(3.00)%
Intangible Right-to-Use Assets, Net	335,453	—	335,453	100.00 %
Other Assets	12,356,073	14,470,716	(2,114,643)	(14.61)%
TOTAL ASSETS	163,906,716	170,204,963	(6,298,247)	(3.70)%
DEFERRED OUTFLOWS	31,648,675	17,791,448	13,857,227	77.89 %
LIABILITIES				
Current Liabilities	8,203,859	8,782,328	(578,469)	(6.59)%
Non-Current Liabilities	142,149,722	158,644,465	(16,494,743)	(10.40)%
TOTAL LIABILITIES	150,353,581	167,426,793	(17,073,212)	(10.20)%
DEFERRED INFLOWS	53,098,602	32,792,777	20,305,825	61.92 %
NET POSITION				
Net Investment in Capital Assets	55,614,974	56,522,341	(907,367)	(1.61)%
Restricted, Non-Expendable	11,964,916	13,133,522	(1,168,606)	(8.90)%
Restricted, Expendable	1,779,704	2,745,609	(965,905)	(35.18)%
Unrestricted	(77,256,386)	(84,624,631)	7,368,245	8.71 %
TOTAL NET POSITION	\$ (7,896,792)	\$ (12,223,159)	\$ 4,326,367	35.39 %

Total assets decreased \$(6,298,247) which was due to a decrease in current assets of \$(117,194), and a decrease in net capital assets of \$(4,401,863), and a decrease in other assets of \$(2,114,643). The overall decrease is primarily due to a decrease in the college's investments and through the annual depreciation expense of capital assets.

Total deferred outflows of resources increased by \$13,857,227 which was primarily due to the University's refinance of its Village Housing Units. This refinance overall resulted in an unamortized deferred outflow amount of \$15,979,296.

Total liabilities decreased \$(17,073,212) which was due to a decrease in current liabilities of \$(578,469) and a decrease in non-current liabilities of \$(16,494,743). Net Other Post Employment Benefits Liability increased \$6,164,404. Net pension liability decreased \$24,312,190 related to the University's proportionate share of the actuarially determined liability for defined benefit plans administered by Teachers Retirement System of Georgia.

Total deferred inflows of resources increased by \$20,305,825 which was primarily due to the University's proportionate share of the actuarially determined deferred gain on defined benefit pension plan.

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 \$4,326,367.

Statement of Revenues, Expenses and Changes in Net Position

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

The following table summarizes Revenue, Expenses, and Changes in Net Position:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Change
Operating Revenue	\$ 44,930,837	\$ 44,152,397	\$ 778,440	1.76 %
Operating Expense	93,974,681	92,678,526	1,296,155	1.40 %
Operating Income/Loss	(49,043,844)	(48,526,129)	(517,715)	(1.07)%
Non-Operating Revenue and Expense	53,019,568	45,398,954	7,620,614	16.79 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	3,975,724	(3,127,175)	7,102,899	227.13 %
Other Revenues, Expenses, Gains, Losses and Special Items	350,643	3,353,968	(3,003,325)	(89.55)%
Change in Net Position	4,326,367	226,793	4,099,574	1,807.63 %
Net Position at Beginning of year	(12,223,159)	(12,449,952)	226,793	1.82 %
Net Position at End of Year	\$ (7,896,792)	(12,223,159)	\$ 4,326,367	35.39 %

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

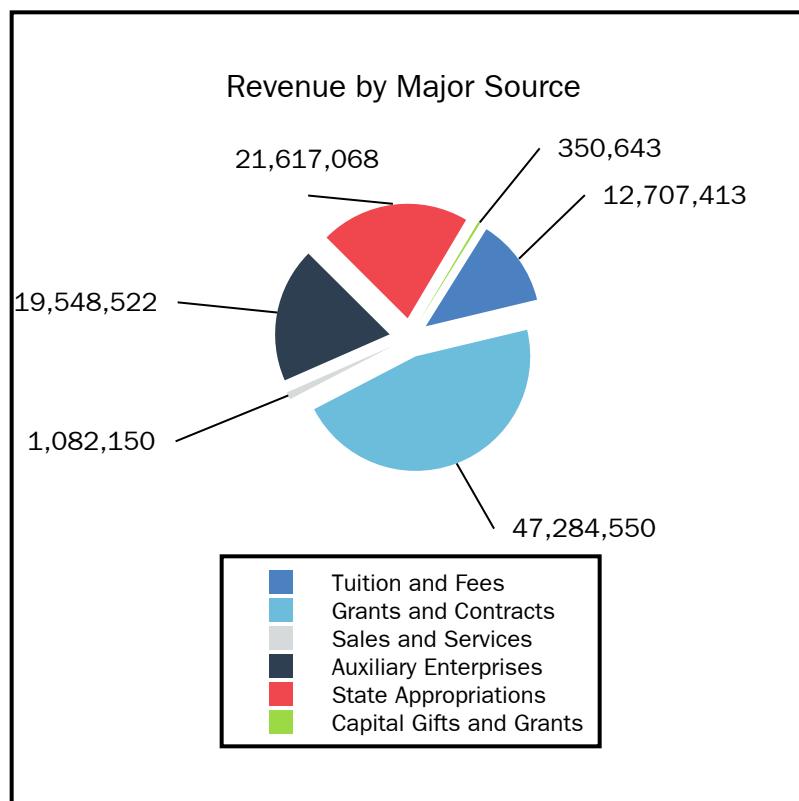
Revenues

In fiscal year 2022, state appropriations increased \$1,394,108, and Non-operating grants and contracts revenue increased \$11,265,292, primarily due to revenue from the Higher Education Emergency Relief Funds. Net tuition and fees revenues also increased \$1,357,065 during fiscal year 2022. Due to a loss in the fair market value, the earnings and losses in investment revenue net out at a total loss. Due to the shortage of material in the supply chain market and the timeline for completion of capital projects, the University had a reduction in state capital gifts.

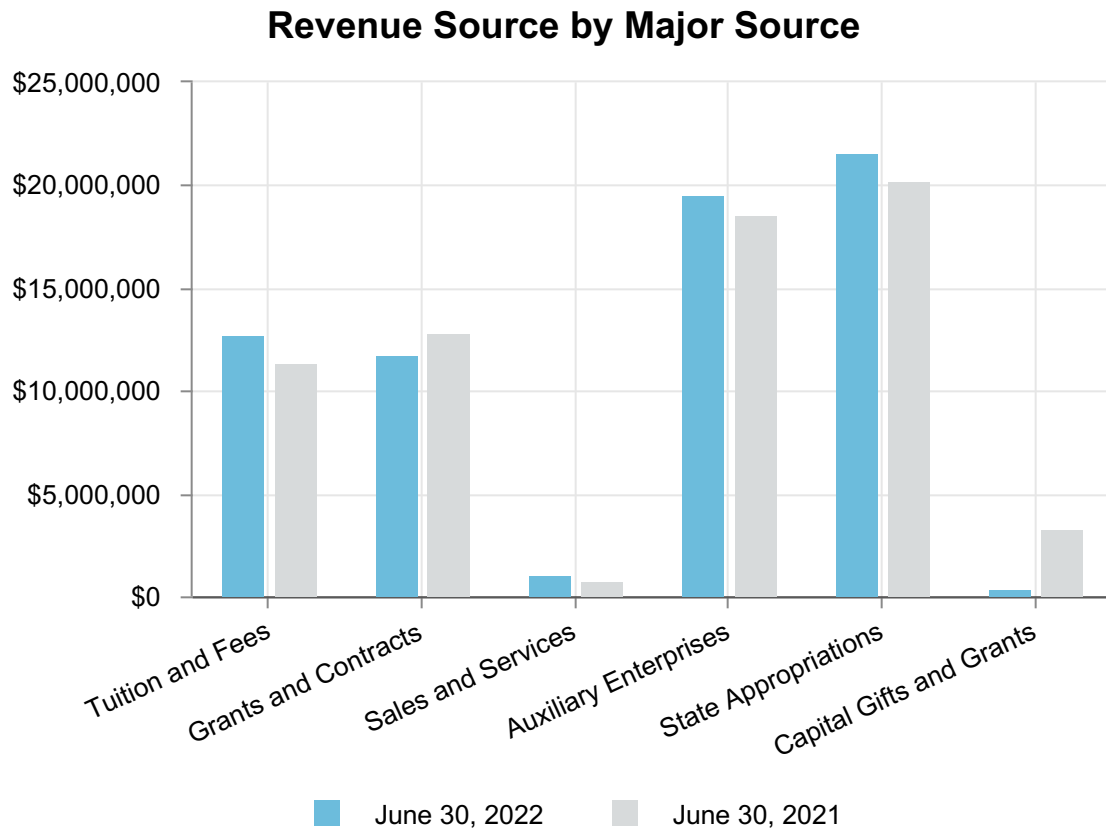
For the years ended June 30,2022, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 12,707,413	11,350,348	\$ 1,357,065	11.96 %
Grants and Contracts	11,728,343	12,879,580	(1,151,237)	(8.94)%
Sales and Services	1,082,150	744,757	337,393	45.30 %
Auxiliary Enterprises	19,548,522	18,619,787	928,735	4.99 %
Other Operating Revenues	(135,591)	557,925	(693,516)	(124.30)%
Total Operating Revenues	44,930,837	44,152,397	778,440	1.76 %
State Appropriations	21,617,068	20,222,960	1,394,108	6.89 %
Grants and Contracts	35,556,207	24,290,915	11,265,292	46.38 %
Gifts	391,426	1,987,948	(1,596,522)	(80.31)%
Investment Income	(1,547,841)	3,018,612	(4,566,453)	(151.28)%
Other Nonoperating Revenues	(106,371)	(234,019)	127,648	54.55 %
Total Nonoperating Revenues	55,910,489	49,286,416	6,624,073	13.44 %
State Capital Gifts and Grants	350,643	3,353,968	(3,003,325)	(89.55)%
Total Capital Gifts and Grants	350,643	3,353,968	(3,003,325)	(89.55)%
Total Revenues	\$ 101,191,969	\$ 96,792,781	\$ 4,399,188	4.54 %

Revenue 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, 2022 and June 30, 2021 is depicted by the following chart:



Expenses

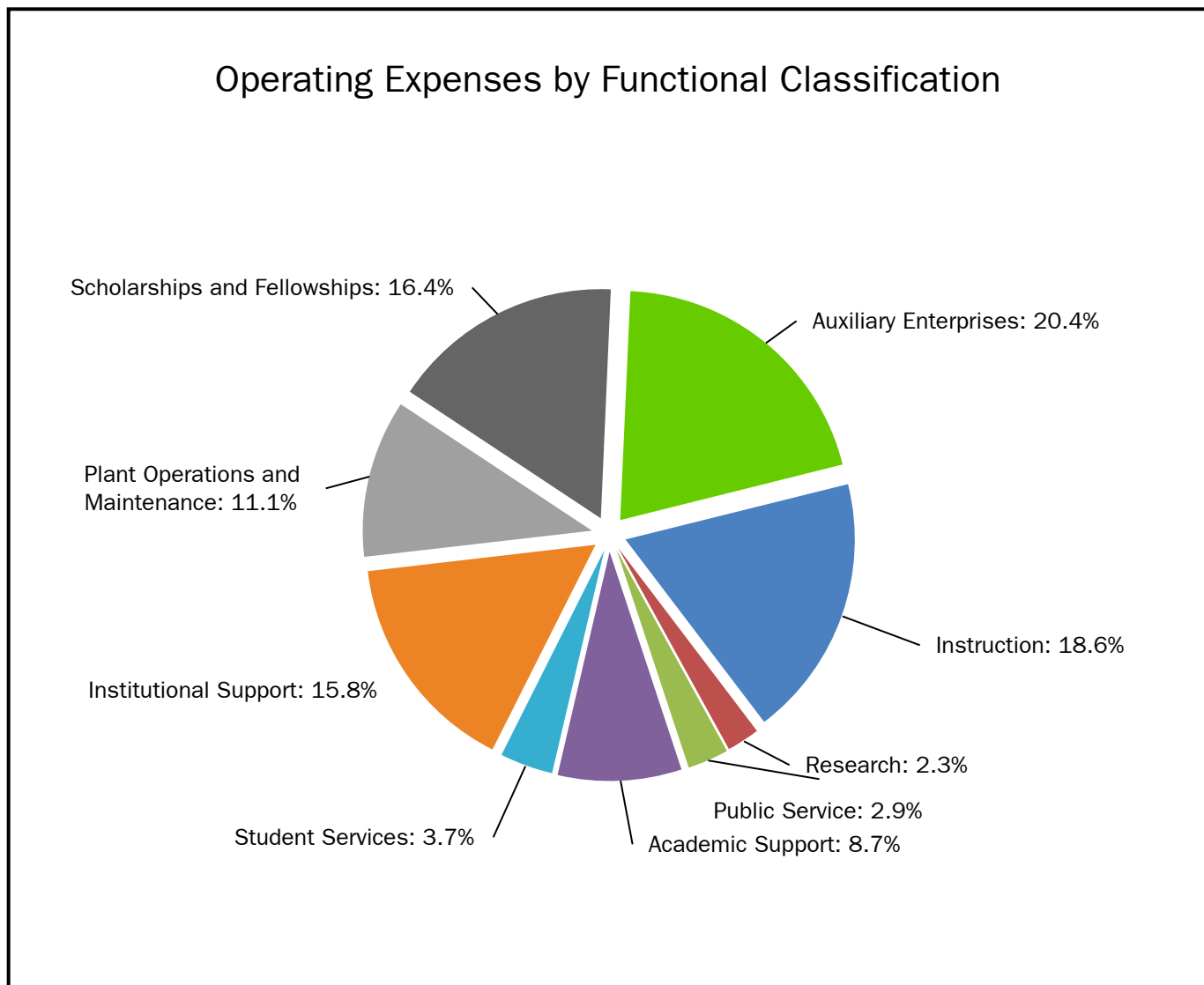
For the years ended June 30, 2022 and June 30, 2021, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Change
Instruction	17,450,711	18,375,502	\$ (924,791)	(5.03)%
Research	2,187,879	2,124,112	63,767	3.00 %
Public Service	2,739,669	2,393,273	346,396	14.47 %
Academic Support	8,216,728	8,193,273	23,455	0.29 %
Student Services	3,519,187	5,117,819	(1,598,632)	(31.24)%
Institutional Support	14,819,493	17,548,604	(2,729,111)	(15.55)%
Plant Operations and Maintenance	10,462,254	12,613,719	(2,151,465)	(17.06)%
Scholarships and Fellowships	15,401,184	9,952,823	5,448,361	54.74 %
Auxiliary Enterprises	19,177,576	16,359,401	2,818,175	17.23 %
Total Operating Expenses	93,974,681	92,678,526	1,296,155	1.40 %
Interest Expense	2,890,921	3,887,462	(996,541)	(25.63)%
Total Nonoperating Expenses	2,890,921	3,887,462	(996,541)	(25.63)%
Total Expenses	\$ 96,865,602	\$ 96,565,988	\$ 299,614	0.31 %

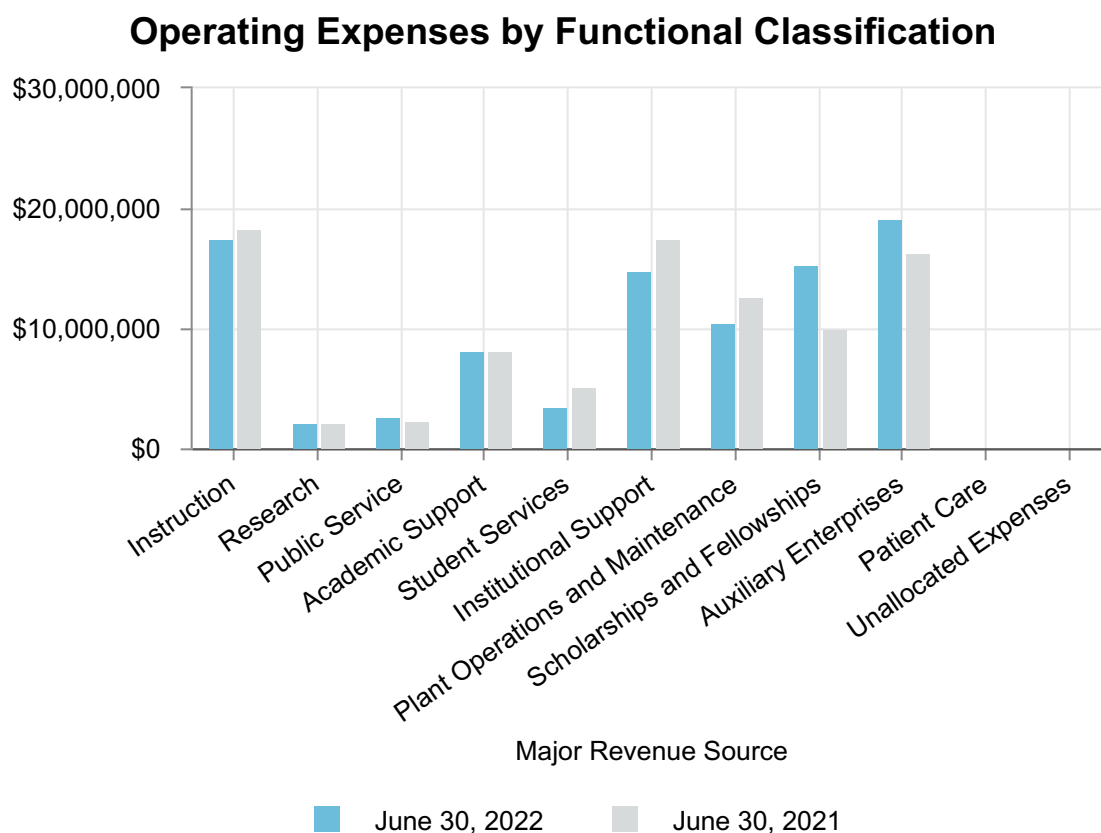
Total operating expenses were \$93,974,681 in fiscal year 2022, an increase of \$1,296,155 when compared with fiscal 2021. These increases are primarily attributable to the following functional classifications: Scholarship and Fellowships and Auxiliary Enterprises. The increase in the Scholarship and Fellowship category would largely be

due to the scholarships given through the Higher Education Emergency Relief Grant. These increases were partially offset by a decrease in instruction expense of \$924,791, decrease in student services expense of \$1,598,632, decrease in institutional support expense of \$2,729,111, and a decrease in plant operations and maintenance of \$2,151,465.

The following chart depicts the fiscal 2022 operating expenses by functional classification.

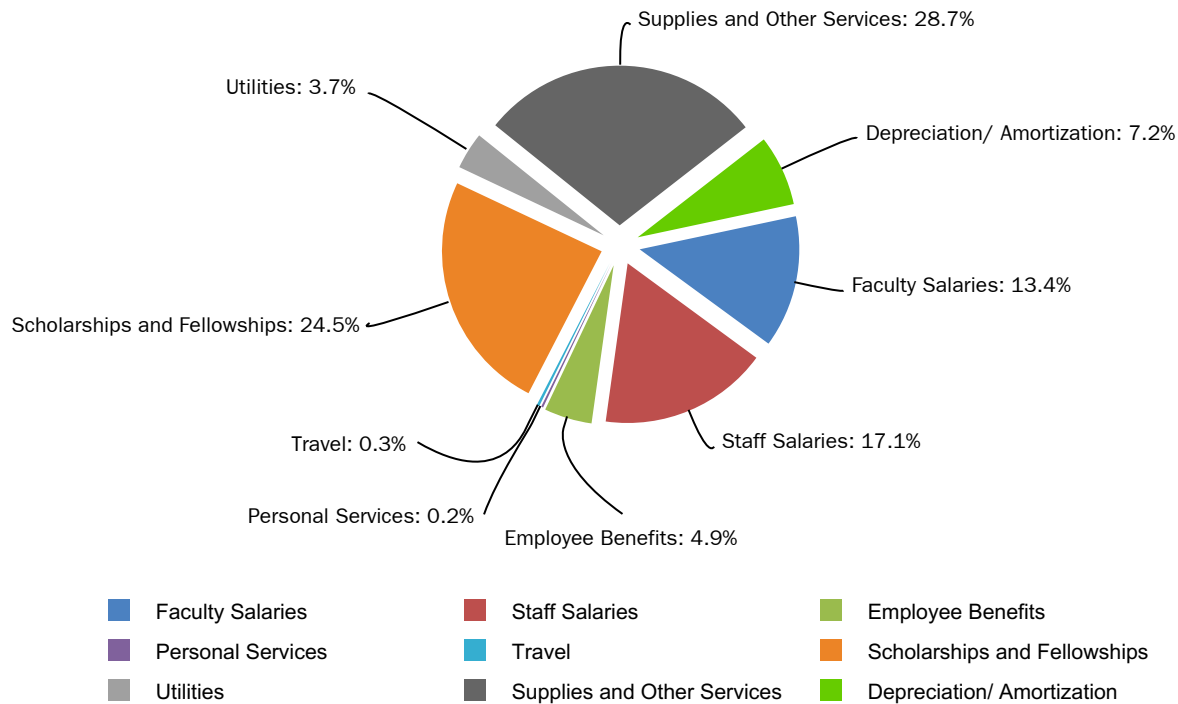


Operating expenses by functional classification for the years ended June 30, 2022 and June 30, 2021 is depicted by the following chart:



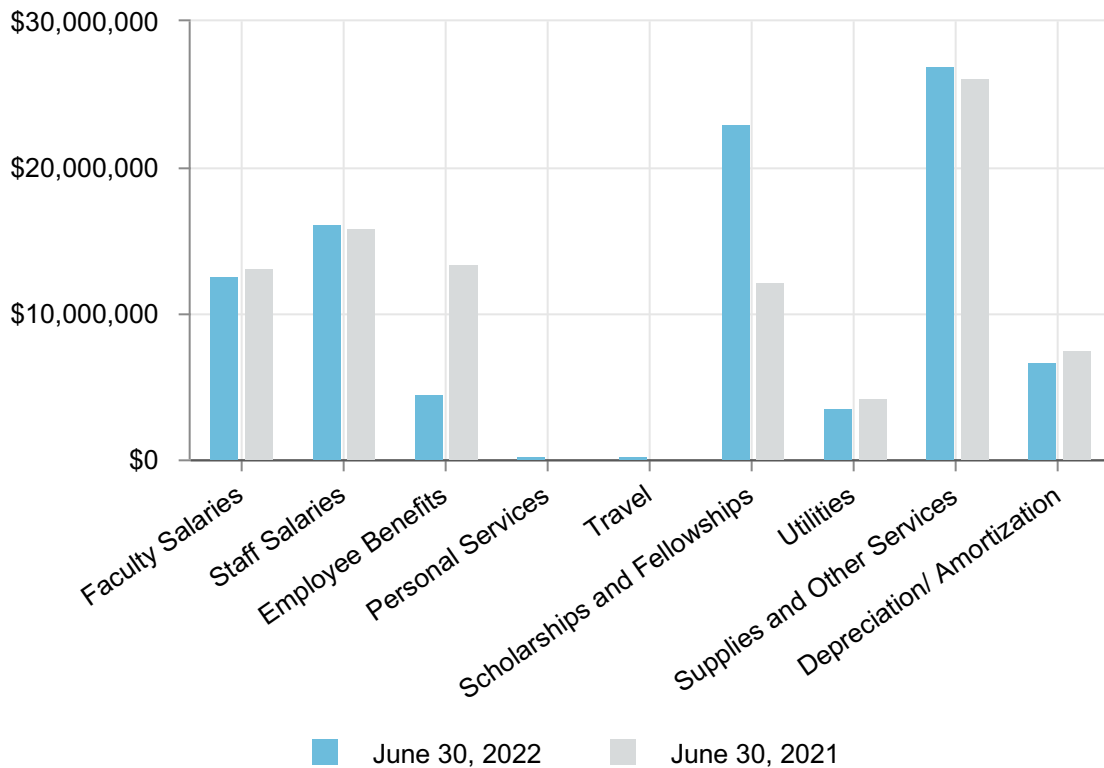
The following chart depicts the fiscal 2022 operating expenses by natural classification.

Operating Expenses by Natural Classification



Operating expenses by natural classification for the years ended June 30, 2022 and June 30, 2021 is depicted by the following chart:

Operating Expenses by Natural Classification



Statement of Cash Flows

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

Cash Flows for the Years Ended June 30, 2022 and 2021 were as follows:

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2022	June 30, 2021
Cash Provided (Used) by:		
Operating Activities	(47,642,405)	(42,170,519)
Non-Capital Financing Activities	55,455,525	46,501,823
Capital and Related Financing Activities	(7,820,097)	(7,788,719)
Investing Activities	78,125	57,097
NET CHANGE IN CASH AND CASH EQUIVALENTS	71,148	(3,400,318)
Cash and Cash Equivalents, beginning of year	2,941,054	6,341,372
Cash and Cash Equivalents, end of year	\$ 3,012,202	\$ 2,941,054

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2022 and June 30, 2021 were as follows:

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2022	June 30, 2021	Increase (Decrease)	% Change
Land	\$ 1,240,219	\$ 1,240,219	\$ —	— %
Construction Work-in-Progress	736,778	279,226	457,552	163.86 %
Infrastructure	781,452	811,430	(29,978)	(3.69)%
Building and Building Improvements	128,154,498	132,570,522	(4,416,024)	(3.33)%
Facilities and Other Improvements	5,139,383	5,307,691	(168,308)	(3.17)%
Equipment	5,829,284	6,004,260	(174,976)	(2.91)%
Library Collections	613,790	682,538	(68,748)	(10.07)%
Capitalized Collections	25,997	27,378	(1,381)	(5.04)%
Capital Assets, net of accumulated depreciation and amortization	\$ 142,521,401	\$ 146,923,264	\$ (4,401,863)	(3.00)%

For additional information concerning capital assets, see Notes 1, 5, 7, and 12 in the Notes to the Financial Statements.

Long Term Liabilities

Savannah State University had Long-Term Liabilities of \$90,978,332, excluding pension and OPEB liability, of which \$4,271,602 was reflected as current liability at June 30, 2022.

For additional information concerning Long-Term Liabilities, see Note 7 in the Notes to the Financial Statements.

Notes to the Financial Statements

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

Economic Outlook

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

Financial Statements (GAAP Basis)



SAVANNAH STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2022

Savannah State University

ASSETS

Current Assets

Cash and Cash Equivalents	\$	902,759
Cash and Cash Equivalents (Externally Restricted)		2,109,443
Short-term Investments (Externally Restricted)		123,143
Accounts Receivable, net		
Federal Financial Assistance		4,188,904
Other		1,132,806
Prepaid Items		236,734
Total Current Assets		<u>8,693,789</u>

Non-Current Assets

Accounts Receivable, net		
Due From USO - Capital Liability Reserve Fund		844,039
Notes Receivable, net		411,058
Investments (Externally Restricted)		11,100,976
Capital Assets, net		142,521,401
Intangible Right-to-Use Assets, net		335,453
Total Non-Current Assets		<u>155,212,927</u>
TOTAL ASSETS		<u>163,906,716</u>

DEFERRED OUTFLOWS OF RESOURCES

\$ 31,648,675

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

SAVANNAH STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2022

Savannah State University

LIABILITIES

Current Liabilities

Accounts Payable	\$ 1,303,440
Salaries Payable	202,142
Benefits Payable	106,970
Retainage Payable	108,329
Due to Affiliated Organizations	56,919
Advances (Including Tuition and Fees)	2,004,170
Deposits	150
Deposits Held for Other Organizations	68,446
Other Liabilities	81,691
Notes Payable	3,263,542
Lease Obligations - External	136,653
Compensated Absences	871,407
Total Current Liabilities	8,203,859

Non-Current Liabilities

Notes Payable	85,618,635
Lease Obligations - External	224,971
Compensated Absences	863,124
Net Other Post Employment Benefits Liability	43,646,774
Net Pension Liability	11,796,218
Total Non-Current Liabilities	142,149,722
TOTAL LIABILITIES	150,353,581

DEFERRED INFLOWS OF RESOURCES

53,098,602

NET POSITION

Net Investment in Capital Assets	55,614,974
Restricted for:	
Nonexpendable	11,964,916
Expendable	1,779,704
Unrestricted (Deficit)	(77,256,386)

TOTAL NET POSITION (DEFICIT)

\$ (7,896,792)

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

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

OPERATING REVENUES

Student Tuition and Fees (net)	\$	12,707,413
Grants and Contracts		
Federal		11,173,261
State		71,131
Other		483,951
Sales and Services		1,082,150
Rents and Royalties		(107,635)
Auxiliary Enterprises		
Residence Halls		10,826,966
Bookstore		135,017
Food Services		5,831,183
Parking/Transportation		629,076
Health Services		328,964
Intercollegiate Athletics		1,770,215
Other Organizations		27,101
Other Operating Revenues		(27,956)
Total Operating Revenues		<u>44,930,837</u>

OPERATING EXPENSES

Faculty Salaries		12,599,787
Staff Salaries		16,101,202
Employee Benefits		4,565,873
Other Personal Services		208,774
Travel		271,841
Scholarships and Fellowships		22,977,674
Utilities		3,520,042
Supplies and Other Services		26,988,565
Depreciation and Amortization		6,740,923
Total Operating Expenses		<u>93,974,681</u>
Operating Income (Loss)	\$	<u>(49,043,844)</u>

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

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

NONOPERATING REVENUES (EXPENSES)

State Appropriations	\$ 21,617,068
Grants and Contracts	
Federal	35,556,207
Gifts	391,426
Investment Loss	(1,547,841)
Interest Expense	(2,890,921)
Other Nonoperating Revenues (Expenses)	<u>(106,371)</u>
Net Nonoperating Revenues	<u>53,019,568</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>3,975,724</u>
Capital Grants and Gifts	
State	<u>350,643</u>
Change in Net Position	<u>4,326,367</u>
Net Position (Deficit), Beginning of Year	<u>(12,223,159)</u>
Net Position (Deficit), End of Year	<u><u>\$ (7,896,792)</u></u>

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

SAVANNAH STATE UNIVERSITY

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2022

	Savannah State University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 33,313,180
Grants and Contracts (Exchange)	13,576,213
Payments to Suppliers	(42,441,140)
Payments to Employees	(29,100,700)
Payments for Scholarships and Fellowships	(22,977,674)
Other Payments	(12,284)
Net Cash Used by Operating Activities	(47,642,405)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	21,617,068
Gifts and Grants Received for Other Than Capital Purposes	33,838,457
Net Cash Flows Provided by Non-Capital Financing Activities	55,455,525
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	441,334
Purchases of Capital and Intangible Right-to-Use Assets	(2,413,599)
Principal Paid on Capital Debt and Leases	(2,771,685)
Interest Paid on Capital Debt and Leases	(3,076,147)
Net Cash Used by Capital and Related Financing Activities	(7,820,097)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,625,966
Investment (Loss)	(1,547,841)
Net Cash Provided by Investing Activities	78,125
Net Increase in Cash and Cash Equivalents	71,148
Cash and Cash Equivalents, Beginning of Year	2,941,054
Cash and Cash Equivalents, End of Year	\$ 3,012,202

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

SAVANNAH STATE UNIVERSITY

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2022

Savannah State University

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

Operating Loss	\$ (49,043,844)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	6,740,923
Change in Assets and Liabilities:	
Receivables, net	2,334,702
Inventories	70,189
Prepaid Items	(172,299)
Accounts Payable	(1,933,980)
Salaries Payable	(26,599)
Benefits Payable	956
Deposits	150
Advances (Including Tuition and Fees)	810,586
Other Liabilities	79,331
Funds Held for Others	(12,284)
Compensated Absences	(85,756)
Due to Affiliated Organizations	56,919
Net Pension Liability	(24,312,190)
Net Other Post-Employment Benefit Liability	(6,164,404)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	21,893,126
Deferred Outflows of Resources	2,122,069
Net Cash Used by Operating Activities	<u>\$ (47,642,405)</u>

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

Noncapital Financing Activities Noncash Items:

Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	<u>\$ 2,308,684</u>
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Capital Financing Activities Noncash Items:

Current Year Accruals Related to Capital Financing Activities	<u>\$ 706,002</u>
Accrual of Capital Asset Related Payables	<u>\$ 108,329</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>152,585</u>
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	<u>\$ 193,062</u>
Accrual of Capital Financing Interest Payable	<u>\$ 131,484</u>
Other Capital Financing Activities Noncash Items	<u>\$ 888,534</u>

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

SAVANNAH STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Receivables	
Other	\$ 1,911,424
Total Assets	<u>1,911,424</u>
LIABILITIES	
Cash Overdraft	588,869
Accounts Payable	396
Deposits held for other organizations	136,409
Total Liabilities	<u>725,674</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u>\$ 1,185,750</u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 18,634,299
State Financial Aid	3,930,823
Other Financial Aid	2,758,695
Clubs and Other Organizations Fund Raising	451,396
Total Additions	<u>25,775,213</u>
DEDUCTIONS	
Scholarships and Other Student Support	26,256,702
Student Organizations Support	311,861
Total Deductions	<u>26,568,563</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>(793,350)</u>
Net Position, Beginning of Year	
Net Position, Beginning of Year, As Originally Reported	(1,379,951)
Prior Year Adjustments	<u>3,359,051</u>
Net Position, Beginning of Year (Restated)	<u>1,979,100</u>
Net Position, End of Year	<u><u>\$ 1,185,750</u></u>

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

Notes to the Financial Statements



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

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, the University is part of the University System of Georgia (USG), an organizational unit of the State of Georgia (the State) under the governance of the Board of Regents (Board). The Board has constitutional authority to govern, control and manage the USG. The Board is composed of 19 members, one member from each congressional district in the State and five additional members from the state-at-large, appointed by the Governor and confirmed by the Senate. Members of the Board serve a seven year term and members may be reappointed to subsequent terms by a sitting governor.

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

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the University. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2022, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's ACFR. The most recent State of Georgia ACFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at sao.georgia.gov/annual-comprehensive-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 June 2017, the GASB issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. In fiscal year 2020, the University adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 87 to fiscal year 2022. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The adoption of this statement had a significant impact on the note disclosures.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019. In fiscal year 2020, the University adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 89 to fiscal year 2022. The objectives of this statement are to both enhance the relevance and comparability of information about capital assets and the cost of borrowing and to simplify accounting for interest costs incurred before the end of a construction period. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, effective for fiscal years beginning after June 15, 2020. In fiscal year 2020, the University adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 92 to fiscal year 2022. The objective of this statement is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by focusing on practice issues that have been identified during the implementation of various GASB Statements. The adoption of this statement does not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* effective for years beginning after June 15, 2020. In fiscal year 2020, the University adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 93 to fiscal year 2022. This statement establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates in hedging derivative instruments and leases. This statement also identifies appropriate benchmark interest rates for hedging derivative instruments. The adoption of this statement does not have a significant impact on the financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* effective for fiscal years beginning after December 15, 2021. This statement establishes a new designation of the acronym for state and local government annual financial statements, the Annual Comprehensive Financial Report (ACFR). The adoption of this statement resulted in changes to the naming convention used throughout the report, but has no impact on the financial information provided.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, effective for certain elements of the requirement effective upon issuance. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation.

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. 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 and 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 and the Board of Regents Total Return Fund are included as investments. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Assets restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

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

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items.

Capital Assets

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

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

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

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

Intangible Right-To-Use Assets

The University leases certain academic spaces, administrative offices, and equipment under lease agreements. The University has both leases under which it is obligated as a lessee and leases for which it is a lessor. Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. Financed leases, which transfer ownership, are included in capital assets and notes and loans payable on the Statement of Net Position.

An intangible right-to-use asset represents the University's right to use an underlying asset for the lease term. Lease obligations represent the University's liability to make lease payments arising from the lease agreement. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Capital Liability Reserve Fund

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

Deferred Outflows of Resources

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

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.

Deposits

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

Other Post-Employment Benefit (OPEB) Liability and Net OPEB Liability

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

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

Pensions and Net Pension Liability

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

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

Net Position

The University's net position is classified as follows:

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

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

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

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Office of the State Treasurer. 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 GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations and investment income.
- Operating expense includes activities that have the characteristics of exchange transactions.
- Nonoperating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the University has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$10,749,264.

Restatement of Prior Year Net Position

The University made the following restatements related to fiduciary fund:

	<u>Fiduciary Funds</u>
Net position, beginning of year, as originally reported	\$ (1,379,951)
Correction of prior year errors	<u>3,359,051</u>
Net position, beginning of year, restated	<u><u>\$ 1,979,100</u></u>

Amounts reported at June 30, 2021 for Fiduciary Funds were misstated by \$3,359,051. For fiscal year 2022, beginning net position for Fiduciary Funds was adjusted by \$3,359,051 to reflect correction of prior year.

The University made prior period adjustments due to the adoption of GASB Statement No. 87, which required the restatement of the June 30, 2021 business type activities' net position. Under this statement, a lessee is required to recognize a lease obligation and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a lessee, the University reclassified lease obligation of \$74,426,667 to notes and loans payable leaving only a balance of \$517,909 as lease obligations. This change also resulted in a reclassification from capital assets to intangible right-to-use assets of \$363,958 for leases held under GASB Statement No. 87. These changes resulted in no overall net impact on beginning net position. The University did not have a restatement due to leases held as a lessor.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2022 are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Statement of Net Position

Current

Cash and Cash Equivalents	\$	902,759
Cash and Cash Equivalents (Externally Restricted)		2,109,443
Short-term Investments (Externally Restricted)		123,143

Noncurrent

Investments (Externally Restricted)		11,100,976
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Statement of Fiduciary Net Position

Cash and Cash Equivalents		(588,869)
	\$	<u>13,647,452</u>

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

Cash on Hand	1,980
Deposits with Financial Institutions	2,544,496
Investments	11,100,976
	<u>\$ 13,647,452</u>

A. Deposits with Financial Institutions

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

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

The University participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each

covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered Deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased to amount of up to 125% if economic or financial conditions warrants. The program lists the type of eligible collateral. The OST approves authorized custodians.

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

At June 30, 2022, the bank balances of the University's deposits totaled \$4,623,700. 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 following table summarizes the valuation of the University's investments measured at fair value on a recurring basis as of June 30, 2022.

	Fair Value
Investment Pools	
Board of Regents	
Legal Fund	\$ 815,053
Total Return Fund	10,285,923
Total Investments	<u>\$ 11,100,976</u>

Board of Regents Pooled Investment Program

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

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

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

1. Legal Fund

The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides an opportunity for greater return and modest principal growth to the extent possible with the 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 five and ten years, with a maximum of

thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the University's position in the Legal Fund at June 30, 2022 was \$815,053, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.32 years.

2. Total Return Fund

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

The equity allocation shall range between 60% and 80%, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the University's position in the Total Return Fund at June 30, 2022 was \$10,285,923, of which 37% is invested in debt securities. The Effective Duration of the Fund is 6.03 years.

Credit Quality Risk

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

1. In the Short-Term Fund and Legal Fund, all debt issues must be eligible investments under O.C.G.A § 50-17-59 and 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.
2. In the Total Return Fund total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 2,105,900	\$ 45,906
Auxiliary Enterprises and Other Operating Activities	1,521,746	
Federal Financial Assistance	4,188,904	1,361,761
Georgia Student Finance Commission		273,045
Georgia State Financing and Investment Commission	15,202	
Due From Other USG Institutions	872,039	
Other	551,767	230,712
	9,255,558	1,911,424
Less: Allowance for Doubtful Accounts	3,089,809	—
Net Accounts Receivable	\$ 6,165,749	\$ 1,911,424

Note 4 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2022. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts canceled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2022, the allowance for uncollectible loans was \$0.

Note 5 Capital and Intangible Right-to-Use Assets

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

	(Restated)			
	Balance			Balance
	July 1, 2021	Additions	Reductions	June 30, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 1,240,219	\$ —	\$ —	\$ 1,240,219
Construction Work-in-Progress	279,226	1,238,832	781,280	736,778
Total Capital Assets Not Being Depreciated	1,519,445	1,238,832	781,280	1,976,997
Capital Assets, Being Depreciated:				
Infrastructure	925,236	—	—	925,236
Building and Building Improvements	233,439,533	737,778	—	234,177,311
Facilities and Other Improvements	8,325,903	43,503	—	8,369,406
Equipment	13,203,818	1,215,762	—	14,419,580
Library Collections	8,334,738	67,332	12,380	8,389,690
Capitalized Collections	55,285	—	—	55,285
Total Capital Assets Being Depreciated	264,284,513	2,064,375	12,380	266,336,508
Less: Accumulated Depreciation				
Infrastructure	113,806	29,978	—	143,784
Building and Building Improvements	100,869,011	5,153,802	—	106,022,813
Facilities and Other Improvements	3,018,212	211,811	—	3,230,023
Equipment	7,563,516	1,026,780	—	8,590,296
Library Collections	7,652,200	136,080	12,380	7,775,900
Capitalized Collections	27,907	1,381	—	29,288
Total Accumulated Depreciation	119,244,652	6,559,832	12,380	125,792,104
Total Capital Assets, Being Depreciated, Net	145,039,861	(4,495,457)	—	140,544,404
Capital Assets, net	\$ 146,559,306	\$ (3,256,625)	\$ 781,280	\$ 142,521,401

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, 2022, GSFIC did not transfer any capital additions from GSFIC managed to the University.

Intangible Right-to-Use Assets

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

	(Restated) Beginning Balances July 1, 2021	Intangible Right-to-Use Recategorization	Additions	Reductions	Ending Balance June 30, 2022
Intangible Right-to-use Assets					
Equipment	363,958	—	152,586	—	516,544
Total Leased Assets Being Amortized	363,958	—	152,586	—	516,544
Less: Accumulated amortization					
Equipment	—	—	181,091	—	181,091
Total Accumulated Amortization	—	—	181,091	—	181,091
Intangible Right-to-use Assets, net	<u>\$ 363,958</u>	<u>\$ —</u>	<u>\$ (28,505)</u>	<u>\$ —</u>	<u>\$ 335,453</u>

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

Fiscal Year	Depreciation & Amortization Expense
2022	6,740,923
2021	7,514,962
2020	7,655,744

Note 6 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 472,657
Research	199,508
Other - Advances	1,332,005
Totals	<u>\$ 2,004,170</u>

Note 7 Long-Term Liabilities

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

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
Leases					
Lease Obligations	\$ 517,909	\$ 152,585	\$ 308,870	\$ 361,624	\$ 136,653
Other Liabilities					
Compensated Absences	1,820,287	1,124,135	1,209,891	1,734,531	871,407
Notes Payable	74,426,667	36,325,000	21,869,490	88,882,177	3,263,542
Total	76,246,954	37,449,135	23,079,381	90,616,708	4,134,949
Total Long-Term Obligations	<u>\$ 76,764,863</u>	<u>\$ 37,601,720</u>	<u>\$ 23,388,251</u>	<u>\$ 90,978,332</u>	<u>\$ 4,271,602</u>

See Note 12, Leases, for information related to lease obligations.

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

Notes Payable

The University entered into a notes payable to secure contracts.

Financing Lease Agreements

The University is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the asset(s) transfers ownership at the end of the agreement.

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing lease agreements for fiscal year 2022 were \$2,029,490 and \$3,418,495, respectively. Interest rates range from 3.067% to 5.867%.

The University has \$88,882,177 in outstanding notes payable due to component units for financing lease agreements.

The following is a summary of the carrying values of assets held under financing lease agreements at June 30, 2022:

Description	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Financing Lease Arrangements at June 30, 2022	Outstanding Balances per Lease Schedules at June 30, 2022
	(+)	(-)	(=)	
Finance Buildings and Building Improvements	\$ 110,333,788	\$ 48,587,345	\$ 61,746,443	\$ 88,882,177
Total Assets Held Under Finance Lease Arrangement	<u>\$ 110,333,788</u>	<u>\$ 48,587,345</u>	<u>\$ 61,746,443</u>	<u>\$ 88,882,177</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
Tiger Point	SSU Real Estate Foundation	3,448,762	20 years	December 2021	June 2041	3,335,821 (1)
Tiger Place	SSU Real Estate Foundation	4,579,136	20 years	December 2021	June 2041	4,429,178 (1)
Camillia Hubert	SSU Real Estate Foundation	2,693,045	20 years	December 2021	June 2041	2,604,852 (1)
University Commons	SSU Real Estate Venture	20,405,000	15 years	June 2018	June 2033	17,525,000 (1)
University Village	SSU Real Estate Venture	36,325,000	22 years	June 2018	June 2044	36,325,000 (1)
Sports Complex	SSU Real Estate Foundation	4,233,413	30 years	August 2012	June 2041	0 (1)
Student Building C	SSU Real Estate Foundation	12,639,057	20 years	December 2021	June 2041	12,225,149 (1)
Student Center/ Stadium	USG Foundation	13,285,323	21 years	March 2020	June 2041	12,437,177 (1)
Total Leases		<u>\$ 97,608,736</u>				<u>\$ 88,882,177</u>

(1) These financing lease agreements are related party transactions.

Below is the annual debt service related to the outstanding notes payable at June 30, 2022.

	Principal	Interest
Year Ending June 30:		
2023	\$ 3,263,542	\$ 3,874,099
2024	3,441,028	3,763,288
2025	3,626,075	3,633,143
2026	3,819,602	3,495,766
2027	4,047,992	3,330,754
2028 through 2032	24,500,266	13,454,078
2033 through 2037	21,804,079	7,373,192
2038 through 2042	19,604,593	3,002,555
2043 through 2047	4,775,000	288,400
Total Minimum Lease Payments	<u>\$ 88,882,177</u>	<u>\$ 42,215,275</u>

Note 8 Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2022, consisted of the following:

Deferred Outflows of Resources

Deferred Loss on Debt Refunding	\$ 15,979,296
Deferred Outflows on Defined Benefit Pension Plans (See Note 13)	8,402,005
Deferred Outflows on OPEB Plan (See Note 16)	7,267,374
Total Deferred Outflows of Resources	\$ 31,648,675

Deferred Inflow of Resources

Deferred Gain on Debt Refunding	\$ 13,869,046
Deferred Inflows on Defined Benefit Pension Plans (See Note 13)	23,411,052
Deferred Inflows on OPEB Plan (See Note 16)	15,818,504
Total Deferred Inflows of Resources	\$ 53,098,602

Deferred Gain on Debt Refunding

During December of 2016, the SSU Real Estate Foundation refunded the bonds associated with the leases for University Village and University Commons and passed the perceived economic advantages of the refund to the University. The net savings to the institution resulting from this refund is \$4,338,285 for the difference in the cash flow requirements between the original lease and the revised lease. During the year, \$271,143 was amortized leaving an unamortized balance of \$2,976,408.

During March of 2020, the BOR Real Estate Foundation, GHEFA, refunded the bond associated with the New Student Center lease and passed the perceived economic advantages of the refund to the University. The net savings to the institution resulting from this refund is \$2,170,746 for the difference in cash flow requirements between the original lease and the revised lease. During the year, \$98,670 was amortized leaving an unamortized balance of \$1,945,562.

In June 2021, the SSU Real Estate Foundation refunded bonds associated with University financed purchases of Camilla Hubert, Tiger Place, Tiger Point, and Tiger Court and passed the perceived economic advantages of the refund to the University. The net savings to the University resulting from this refund was \$9,413,774 for the difference in the cash flow requirements between the original lease and the revised lease. During the year, \$470,689 was amortized leaving an unamortized balance of \$8,935,348 at year end.

Deferred Loss

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

In the Fall of 2021, the SSU Real Estate Foundation refunded bonds associated with the University's Village housing complex. As part of the refunding, the SSU Real Estate Foundation realized a net loss, due to the refunding of the bonds. The net loss to the institution resulting from this refund is \$16,485,000 for the difference in the cash flow requirements between the original lease and the revised lease. During the year, \$505,704 was amortized leaving an unamortized balance of \$15,979,296.

Note 9 Net Position

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

Net Investment in Capital Assets	\$ 55,614,974
Restricted for	
Nonexpendable	
Permanent Endowment	11,964,916
Expendable	
Sponsored and Other Organized Activities	1,619,345
Federal Loans	160,359
Sub-Total	1,779,704
Unrestricted	
Auxiliary Enterprises Operations	9,352,118
Reserve for Encumbrances	4,519,261
Capital Liability Reserve Fund	844,039
Other Unrestricted	(91,971,804)
Sub-Total	(77,256,386)
Total Net Position	\$ (7,896,792)

Other unrestricted net position is reduced by \$52,197,904 related to the recording of net OPEB liability, deferred inflows of resources, and deferred outflows of resources related to OPEB plan. Other unrestricted net position is also reduced by \$26,805,265 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources related to defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in Net Position for the year ended June 30, 2022 are as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Net Investments in Capital Assets	\$ 56,522,341	\$ 24,852,873	\$ 25,760,240	\$ 55,614,974
Restricted Net Position	15,879,131	47,635,193	49,769,704	13,744,620
Unrestricted Net Position	(84,624,631)	53,663,147	46,294,902	(77,256,386)
Total Net Position	\$ (12,223,159)	\$ 126,151,213	\$ 121,824,846	\$ (7,896,792)

Note 10 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 decrease for the endowment accounts was \$1,625,966 and is reflected as non- 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 limits spending between 3.0% and 6.0% of endowment principal market value. 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 endowment funds where the donor has not provided specific instructions, investment return of the University's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure.

Note 11 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2022.

Note 12 Leases

Lease Obligations

The University leases land, facilities, office and computer equipment, and other assets. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to leases for fiscal year 2022 were \$169,028 and \$46,104, respectively. Interest rate ranges from 6.06% to 8.76%.

There were no residual guaranteed payment, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2022.

The following is a summary of the carrying values of assets held under capital lease at June 30, 2022:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Capital Assets Held Under Capital Lease at June 30, 2022	Outstanding Balance per Lease Schedules at June 30, 2022
	(+)	(-)	(=)	
Leased Equipment	516,544	181,091	335,453	361,624
Total Assets Held Under Capital Lease	<u>\$ 516,544</u>	<u>\$ 181,091</u>	<u>\$ 335,453</u>	<u>\$ 361,624</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/Year	Outstanding Principal
Police Interceptor	Enterprise	\$ 46,738	3 years	July 2021	December 2024	\$ 30,572
Police Interceptor	Enterprise	42,127	3 years	July 2021	May 2025	34,990
Police Interceptor	Enterprise	42,126	3 years	July 2021	October 2024	28,495
Police Interceptor	Enterprise	47,381	3 years	July 2021	December 2024	30,941
Canon Copiers	Canon USA	29,552	4 years	July 2021	June 2025	19,250
Canon Copiers	Canon USA	183,937	4 years	July 2021	June 2025	122,715
Canon Copiers	Canon USA	102,839	4 years	July 2021	June 2025	66,988
Sharp Printer System	Great America Financial Services	107,461	1 month	July 2021	July 2022	2,202
CSC Service Works	CSC Service Works	<u>68,333</u>	4 months	July 2021	October 2022	<u>25,471</u>
Total Leases		<u>\$ 670,494</u>				<u>\$ 361,624</u>

(1) These leases are related party transactions.

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

	Principal	Interest
Year Ending June 30:		
2023	\$ 136,653	\$ 25,470
2024	117,663	13,631
2025	103,539	4,573
2026	<u>3,769</u>	<u>28</u>
Total Minimum Lease Payments	<u>\$ 361,624</u>	<u>\$ 43,702</u>

Note 13 Retirement Plans

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

The University also provides the Regents Retirement Plan.

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

A. Teachers Retirement System of Georgia

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 2022. The University's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of the University's payroll. The University's contributions to TRS totaled \$3,303,933 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the University reported a liability for its proportionate share of the net pension liability for TRS. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The University's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2021. At June 30, 2021, the University's TRS proportion was 0.133376%, which was a decrease of (0.015685)% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the University recognized pension expense of \$1,791,489 for TRS. At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,814,952	\$ —
Changes of assumptions	2,283,120	—
Net difference between projected and actual earnings on pension plan investments	—	17,254,534
Changes in proportion and differences between contributions and proportionate share of contributions	—	6,156,518
Contributions subsequent to the measurement date	3,303,933	—
Total	<u>\$ 8,402,005</u>	<u>\$ 23,411,052</u>

The University's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	TRS
2023	\$ (4,470,927)
2024	\$ (4,392,672)
2025	\$ (4,725,806)
2026	\$ (4,723,575)
2027	\$ —

Actuarial assumptions

The total pension liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return and the assumed annual rate of inflation.

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

Asset class	TRS target allocation	TRS Long-term expected real rate of return*
Fixed income	30.00 %	(0.80)%
Domestic large equities	46.30 %	9.30 %
Domestic small equities	1.20 %	13.30 %
International developed market equities	11.50 %	9.30 %
International emerging market equities	6.00 %	11.30 %
Alternatives	5.00 %	10.60 %
Total	100.00 %	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total TRS pension liability was 7.25%. 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of (7.25%), as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) 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	\$ 31,775,885	\$ 11,796,218	\$ (4,575,741)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial reports which are publicly available at trsga.com/publications.

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2022, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University and the covered employees made the required contributions of \$690,071 (9.24%) and \$448,711 (6.00%), respectively.

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

Note 14 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2022, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

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

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

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

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

Note 15 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, 2022.

Note 16 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.

Benefits

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2022, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

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

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

Active Employees	384
Retirees or Beneficiaries Receiving Benefits	165
Retirees Receiving Life Insurance Only	<u>77</u>
Total	<u><u>626</u></u>

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

The University pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2022 plan year, the employer rate was approximately 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 2022, the University contributed \$1,231,570 to the plan for current premiums or claims.

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

At June 30, 2022, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2021. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2021. At June 30, 2021, the University's proportion was 0.867198%, which was a decrease of (0.066694)% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the University recognized OPEB expense of \$(134,408). At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,349,884	\$ 149,327
Changes of assumptions	3,599,942	6,019,787
Net difference between projected and actual earnings on OPEB plan investments	—	108,236
Changes in proportion and differences between contributions and proportionate share of contributions	85,978	9,541,154
Contributions subsequent to the measurement date	1,231,570	—
Total	<u>\$ 7,267,374</u>	<u>\$ 15,818,504</u>

The University's contributions subsequent to the measurement date of \$1,231,570 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:

2023	\$	(2,549,978)
2024	\$	(2,327,296)
2025	\$	(2,279,479)
2026	\$	(2,091,375)
2027	\$	(499,605)
Thereafter	\$	(34,967)

Actuarial assumptions

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of May 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Discount Rate as of 6/30/2021 2.18% GO 20-Municipal Bond Index Rate Discount Rate as of 6/30/2020 2.21% from Bond Buyers GO 20- Municipal Bond Index Long-term Rate of Return 4.37% General Inflation 2.10% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2020
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	6.4%
Medicare Eligible	4%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4%
Year Ultimate Trend is Reached	Fiscal Year 2031 for Pre-Medicare Eligible, Fiscal Year 2021 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019 with the exception of the disability and salary increase assumptions. These assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Mortality improvement scale was updated from MP-2019 to MP-2020.
- The discount rate was updated from 2.21% as of June 30, 2020 to 2.18% as of June 30, 2021.
- The disability rates were changed to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The salary scale was changed from 4.00% to 3.75% to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The HRA annual increase assumption was updated from 4.50% to 4.00% to reflect general long term HRA employer marketplace trends that show HRA amounts increasing slightly lower than long term medical trends but higher than inflation.
- The Expected Return on Assets was changed from 3.75% to 4.37%.

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

adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	0.69 %	70 %
Equity Allocation	4.21 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2025 is \$0, based on the valuation completed for the fiscal year ending June 30, 2021. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2025. Therefore, the long-term expected rate of return on Plan investments of 4.37% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 2.18% from the Bond Buyers GO 20-Bond Municipal Bond Index. This rate is comprised primarily of the yield or index rate for a 20 year, tax exempt general obligation municipal bond with an average rating of AA or higher (2.16% from the Bond Byers GO 20-Bond Municipal Bond Index).

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

The following presents the the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.18%) or 1% higher (3.18%) than the current discount rate (2.18%):

	1% Decrease 1.18%	Current Rate 2.18%	1% Increase 3.18%
Proportionate Share of the Net OPEB Liability	\$ 52,831,181	\$ 43,646,774	\$ 36,564,242

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	\$ 36,828,892	\$ 43,646,774	\$ 52,621,507
Pre-Medicare Eligible	5.4% decreasing to 3.5%	6.4% decreasing to 4.5%	7.4% decreasing to 5.5%
Medicare Eligible	3.0%	4.0%	5.0%

OPEB plan fiduciary net position:

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

Note 17 Operating Expenses with Functional Classifications

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

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 11,199,025	\$ 1,008,455	\$ 4,356,353	\$ 8,596	\$ 20,016
Research	247,250	270,662	97,387	—	16,091
Public Service	51,052	943,019	352,000	—	18,202
Academic Support	913,628	2,851,174	1,131,222	2,000	28,529
Student Services	65,654	1,851,282	638,910	—	46,863
Institutional Support	94,469	4,647,362	(3,640,382)	198,178	88,768
Plant Operations and Maintenance	—	2,180,491	861,107	—	3,804
Scholarships and Fellowships	28,009	7,263	8,552	—	—
Auxiliary Enterprises	700	2,341,494	760,724	—	49,568
Total Operating Expenses	<u>\$ 12,599,787</u>	<u>\$ 16,101,202</u>	<u>\$ 4,565,873</u>	<u>\$ 208,774</u>	<u>\$ 271,841</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 175,203	\$ 59,466	\$ 519,840	\$ 103,757	\$ 17,450,711
Research	651,921	—	611,818	292,750	2,187,879
Public Service	99,371	—	1,243,811	32,214	2,739,669
Academic Support	453,636	—	2,539,126	297,413	8,216,728
Student Services	13,000	155,239	109,270	638,969	3,519,187
Institutional Support	5,338,397	25,823	7,292,743	774,135	14,819,493
Plant Operations and Maintenance	—	2,066,837	3,671,928	1,678,087	10,462,254
Scholarships and Fellowships	15,352,695	—	4,665	—	15,401,184
Auxiliary Enterprises	893,451	1,212,677	10,995,364	2,923,598	19,177,576
Total Operating Expenses	<u>\$ 22,977,674</u>	<u>\$ 3,520,042</u>	<u>\$ 26,988,565</u>	<u>\$ 6,740,923</u>	<u>\$ 93,974,681</u>

Note 18 Subsequent Event

As of June 30, 2022, the University did not have any subsequent events.

Required Supplementary Information



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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Teachers' Retirement System	June 30, 2022	\$ 3,303,933	\$ 3,303,933	\$ —	\$ 16,763,926	19.71%
	June 30, 2021	\$ 3,310,616	\$ 3,310,616	\$ —	\$ 17,353,503	19.08%
	June 30, 2020	\$ 4,069,094	\$ 4,069,094	\$ —	\$ 19,266,036	21.12%
	June 30, 2019	\$ 4,463,149	\$ 4,463,149	\$ —	\$ 21,370,446	20.88%
	June 30, 2018	\$ 3,695,861	\$ 3,695,861	\$ —	\$ 21,986,081	16.81%
	June 30, 2017	\$ 3,084,334	\$ 3,084,334	\$ —	\$ 21,326,077	14.46%
	June 30, 2016	\$ 3,002,678	\$ 3,002,678	\$ —	\$ 20,835,394	14.41%
	June 30, 2015	\$ 2,593,064	\$ 2,593,064	\$ —	\$ 19,719,109	13.15%
	June 30, 2014	\$ 2,212,636	\$ 2,212,636	\$ —	\$ 18,017,854	12.28%
	June 30, 2013	\$ 2,052,066	\$ 2,052,066	\$ —	\$ 17,998,351	11.40%

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System	June 30, 2022	0.133376%	\$ 11,796,218	\$ 17,353,503	67.98%	92.03%
	June 30, 2021	0.149061%	\$ 36,108,408	\$ 19,266,036	187.42%	77.01%
	June 30, 2020	0.174436%	\$ 37,508,457	\$ 21,370,446	175.52%	78.56%
	June 30, 2019	0.187106%	\$ 34,730,881	\$ 21,986,081	157.97%	80.27%
	June 30, 2018	0.188144%	\$ 34,967,142	\$ 21,326,077	163.96%	79.33%
	June 30, 2017	0.210600%	\$ 39,529,835	\$ 20,835,394	189.72%	76.06%
	June 30, 2016	0.210000%	\$ 28,629,659	\$ 19,719,109	145.19%	81.44%
	June 30, 2015	0.210000%	\$ 22,509,556	\$ 18,017,854	124.93%	84.03%

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

**SAVANNAH STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Changes of assumptions

Teachers Retirement System:

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

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

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

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

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

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2022	\$ 1,231,570	\$ 1,231,570	\$ —	\$ 26,549,429	4.64%
June 30, 2021	\$ 1,017,924	\$ 1,017,924	\$ —	\$ 26,523,932	3.84%
June 30, 2020	\$ 959,966	\$ 959,966	\$ —	\$ 28,322,899	3.39%
June 30, 2019	\$ 1,706,369	\$ 1,706,369	\$ —	\$ 31,887,708	5.35%
June 30, 2018	\$ 1,793,650	\$ 1,793,650	\$ —	\$ 32,632,413	5.50%
June 30, 2017	\$ 1,154,057	\$ 1,154,057	\$ —	\$ 32,155,169	3.59%

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

**SAVANNAH STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST FIVE FISCAL YEARS***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2022	0.867198%	\$ 43,646,774	\$ 26,523,932	164.56%	3.74%
June 30, 2021	0.933892%	\$ 49,811,178	\$ 28,322,899	175.87%	2.91%
June 30, 2020	1.063934%	\$ 47,574,532	\$ 31,887,708	149.19%	3.13%
June 30, 2019	1.132212%	\$ 49,939,053	\$ 32,632,413	153.04%	1.69%
June 30, 2018	1.158879%	\$ 48,901,517	\$ 32,155,169	152.08%	0.19%

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

**SAVANNAH STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Mortality improvement scale was updated from MP-2019 to MP-2020.
- The discount rate was updated from 2.21% as of June 30, 2020 to 2.18% as of June 30, 2021.
- The disability rates were changed to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The salary scale was changed from 4.00% to 3.75% to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The HRA annual increase assumption was updated from 4.50% to 4.00% to reflect general long term HRA employer marketplace trends that show HRA amounts increasing slightly lower than long term medical trends but higher than inflation.
- The Expected Return on Assets was changed from 3.75% to 4.37%.

Supplementary Information



SAVANNAH STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30. 2022

ASSETS

Cash and Cash Equivalents	\$	5,760,679.40
Accounts Receivable		
Federal Financial Assistance		4,188,903.72
Other		2,968,552.93
Prepaid Expenditures		135,499.64
Other Assets		28,000.00
		<hr/>
Total Assets	\$	<u>13,081,635.69</u>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	\$	173,073.10
Encumbrance Payable		2,623,783.47
Accounts Payable		800,099.65
Unearned Revenue		1,947,188.13
Funds Held for Others		61,534.55
Other Liabilities		9,590.91
		<hr/>
Total Liabilities		<u>5,615,269.81</u>

Fund Balances

Reserved		
Department Sales and Services		2,412,832.69
Indirect Cost Recoveries		720,616.65
Technology Fees		574,326.27
Restricted/Sponsored Funds		1,619,345.30
Uncollectible Accounts Receivable		1,566,167.64
Tuition Carry - Forward		423,026.60
Unreserved		
Surplus		150,050.73
		<hr/>
Total Fund Balances		<u>7,466,365.88</u>
		<hr/>
Total Liabilities and Fund Balances	\$	<u>13,081,635.69</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.

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

	Original Appropriation	Final Budget	Funds Available Compared to Budget	
			Current Year Revenues	Prior Year Reserve Carry-Over
Teaching				
State Appropriation				
State General Funds	\$ 19,586,505.00	\$ 21,967,364.00	\$ 21,967,364.00	\$ —
Federal Funds Not Specifically Identified		19,243,000.00	21,430,094.81	—
Federal Funds-COVID19				
Federal Funds - COVID 19		43,753,686.00	24,708,906.00	—
Other Funds	75076471.00	24,755,046.00	18,281,278.48	5,936,319.64
Total Teaching	<u>\$ 94,662,976.00</u>	<u>\$ 109,719,096.00</u>	<u>\$ 86,387,643.29</u>	<u>\$ 5,936,319.64</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.

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

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Teaching						
State Appropriation						
State General Funds	\$ —	21,967,364.00	—	21,929,574.59	37,789.41	37,789.41
Federal Funds Not Specifically Identified	—	21,430,094.81	2,187,094.81	21,429,357.87	(2,186,357.87)	736.94
Federal Funds-COVID19						
Federal Funds - COVID 19	—	24,708,906.00	(19,044,780.00)	24,708,906.00	19,044,780.00	—
Other Funds	—	24,217,598.12	(537,447.88)	18,354,754.23	6,400,291.77	5,862,843.89
Total Teaching	<u>\$ —</u>	<u>\$ 92,323,962.93</u>	<u>\$ (17,395,133.07)</u>	<u>\$ 86,422,592.69</u>	<u>\$ 23,296,503.31</u>	<u>\$ 5,901,370.24</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.

SAVANNAH STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2020 Surplus	Prior Year Adjustments	Other Adjustments
Teaching					
State Appropriation					
State General Funds	\$ 18,817.43	\$ —	\$ (18,817.43)	\$ 15,433.43	\$ 58,551.74
Federal Funds Not Specifically Identified	—	—	—	—	—
Federal Funds-COVID19					
Federal Funds - COVID 19	—	—	—	—	—
Other Funds	6,267,797.75	(5,936,319.64)	(331,478.11)	34,306.32	(109,463.49)
Total Teaching	6,286,615.18	(5,936,319.64)	(350,295.54)	49,739.75	(50,911.75)
Total Operating Activity	6,286,615.18	(5,936,319.64)	(350,295.54)	49,739.75	(50,911.75)
Prior Year Reserves					
Not Available for Expenditure					
Inventories	58,551.74	—	—	—	(58,551.74)
Uncollectible Accounts Receivable	1,456,704.15	—	—	—	109,463.49
Budget Unit Totals	<u>\$ 7,801,871.07</u>	<u>\$ (5,936,319.64)</u>	<u>\$ (350,295.54)</u>	<u>\$ 49,739.75</u>	<u>\$ —</u>

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**SAVANNAH STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Early Return of Fiscal Year 2020 Surplus	Excess (Deficiency) of Funds Available Over/Under Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Teaching						
State Appropriation						
State General Funds	\$ —	\$ 37,789.41	\$ 111,774.58	\$ —	\$ 111,774.58	\$ 111,774.58
Federal Funds Not Specifically Identified	—	736.94	736.94	—	—	—
Federal Funds-COVID19						
Federal Funds - COVID 19	—	—	—	—	—	—
Other Funds	—	5,862,843.89	5,787,686.72	5,750,147.51	38,276.15	5,788,423.66
Total Teaching	—	5,901,370.24	5,900,198.24	5,750,147.51	150,050.73	5,900,198.24
Total Operating Activity	—	5,901,370.24	5,900,198.24	5,750,147.51	150,050.73	5,900,198.24
Prior Year Reserves						
Not Available for Expenditure						
Inventories	—	—	—	—	—	—
Uncollectible Accounts Receivable	—	—	1,566,167.64	1,566,167.64	—	1,566,167.64
Budget Unit Totals	\$ —	\$ 5,901,370.24	\$ 7,466,365.88	\$ 7,316,315.15	\$ 150,050.73	\$ 7,466,365.88
		Departmental Sales and Services		\$ 2,412,832.69	\$ —	\$ 2,412,832.69
		Indirect Cost Recovery		720,616.65	—	720,616.65
		Technology Fees		574,326.27	—	574,326.27
		Restricted/Sponsored Funds		1,619,345.30	—	1,619,345.30
		Tuition Carry-Forward		423,026.60	—	423,026.60
		Uncollectible Accounts Receivable		1,566,167.64	—	1,566,167.64
		Surplus		—	150,050.73	150,050.73
				\$ 7,316,315.15	\$ 150,050.73	\$ 7,466,365.88

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