



UNIVERSITY SYSTEM OF GEORGIA

Fiscal Year 2020 Financial Update

January 12, 2021

Claire Arnold
Vice Chancellor for
Internal Audit/Chief Audit Officer

Brad Freeman
Associate Vice Chancellor
Accounting and Reporting



UNIVERSITY SYSTEM OF GEORGIA

Information Item #1: Financial Engagement Results For Fiscal Year Ended June 30, 2020

Engagements

Georgia Department of Audits (DOAA)

Audits

- Augusta University
- Georgia Institute of Technology
- Georgia State University
- Kennesaw State University
- University of Georgia
- University System of Georgia

Full Disclosure Management Reports (FDMR)

- Atlanta Metropolitan State College(*)
- College of Coastal Georgia(*)
- Middle Georgia State University
- Savannah State University(*)
- Valdosta State University(*)

Global Financial Testing

- Georgia Southern University(*)

Mauldin & Jenkins

Agreed Upon Procedures Engagements

- University of North Georgia
- University of West Georgia

USG Internal Audits

- Abraham Baldwin Agricultural College
- Albany State University
- Clayton State University
- Columbus State University
- Dalton State College
- East Georgia State College
- Fort Valley State University
- Georgia College & State University
- Georgia Gwinnett College
- Georgia Highlands College
- Georgia Southwestern State University
- Gordon State College
- South Georgia State College



Results – DOAA Financial Engagements

No Audit Findings Noted –

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

No FDMR Findings Noted –

Atlanta Metropolitan State College
College of Coastal Georgia
Middle Georgia State University
Valdosta State University



Results – DOAA Financial Engagements

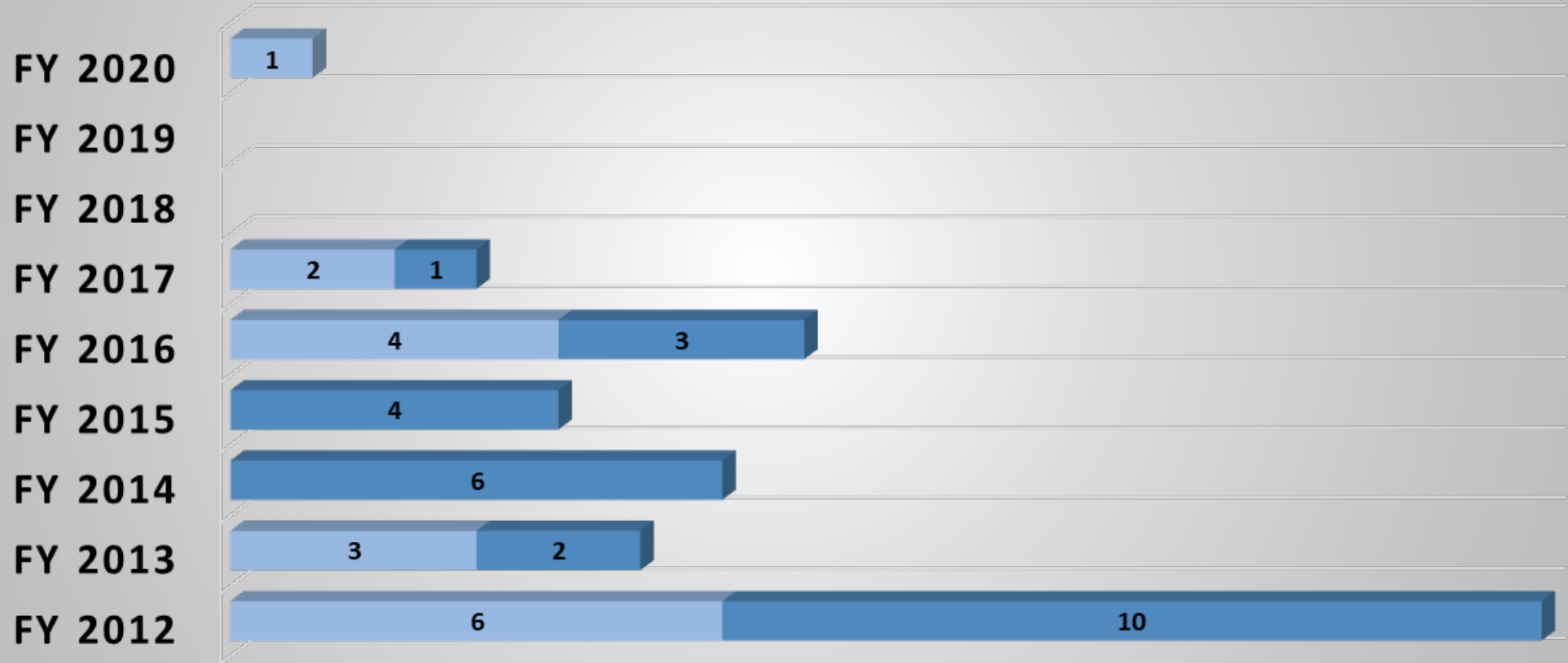
Savannah State University

Inadequate Controls Over the Financial Reporting Process –
Material Weakness



FINANCIAL STATEMENT FINDINGS

■ Material Weakness ■ Significant Deficiency



Results – DOAA Student Financial Assistance Compliance Engagements

Atlanta Metropolitan State College

Student Eligibility – Material Weakness

Return of Title IV Funds

Untimely and Inaccurate Enrollment Reporting

Inadequate Controls over the Federal Direct Loan Reconciliation Process

Savannah State University

Student Eligibility

Undocumented Cost of Attendance

Lack of Documentation to Support Fiscal Operations and Application to Participate (FISAP) Report

Failure to Meet Student Verification Requirements

Return of Title IV Funds

Untimely and Inaccurate Enrollment Reporting

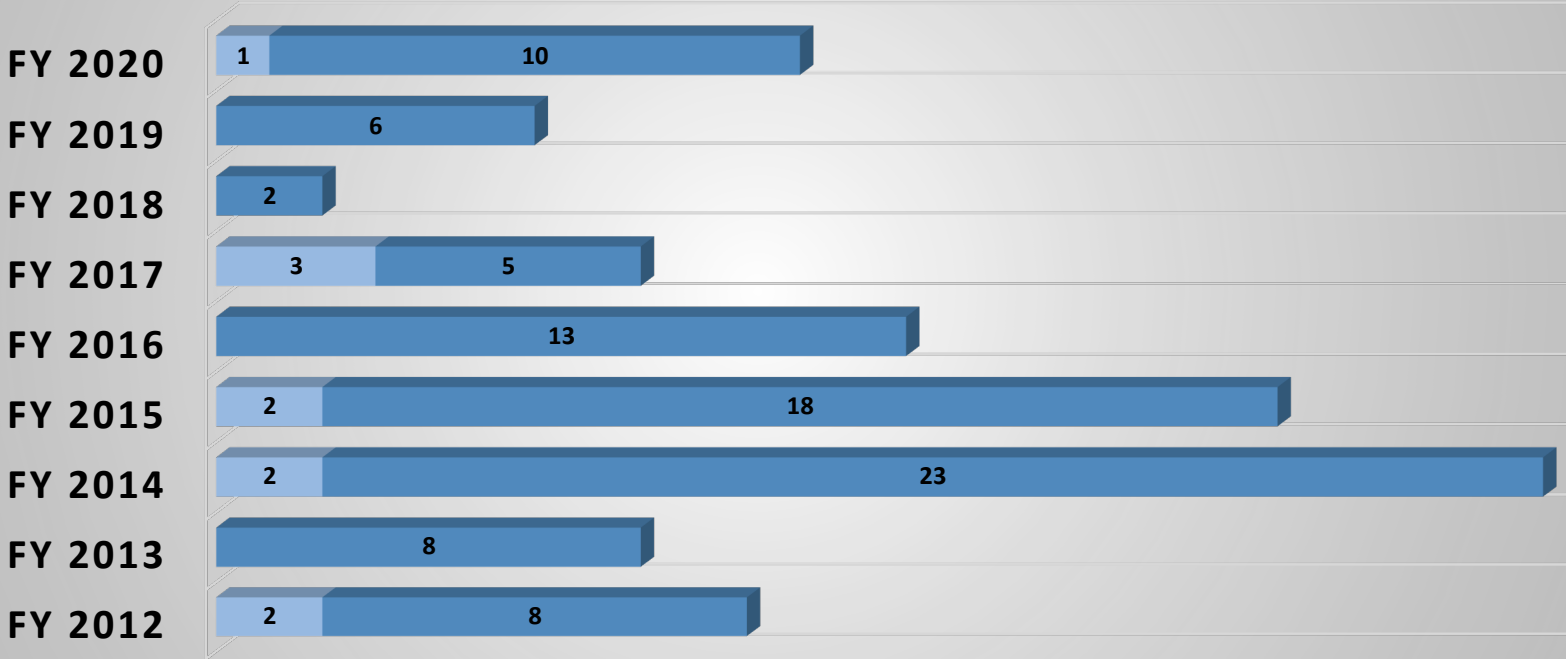
Valdosta State University

Student Eligibility



FEDERAL FINANCIAL AID FINDINGS

Material Weakness Significant Deficiency



Results – External Engagements

Agreed Upon Procedures (Financial)

- University of North Georgia – 3 Exceptions noted
- University of West Georgia – 5 Exceptions noted



Results – Internal Audits Engagements

- Abraham Baldwin Agricultural College – No Exceptions Noted
- Albany State University – 1 Exception Noted
- Clayton State University – 6 Exceptions Noted
- Columbus State University – 3 Exceptions Noted
- Dalton State College – 2 Exceptions Noted
- East Georgia State College – No Exceptions Noted
- Fort Valley State University – 9 Exceptions Noted
- Georgia College & State University – 1 Exception Noted
- Georgia Gwinnett College – No Exceptions Noted
- Georgia Highlands College – 2 Exceptions Noted
- Georgia Southwestern State University – 3 Exceptions Noted
- Gordon State College – No Exceptions Noted
- South Georgia State College – No Exceptions Noted

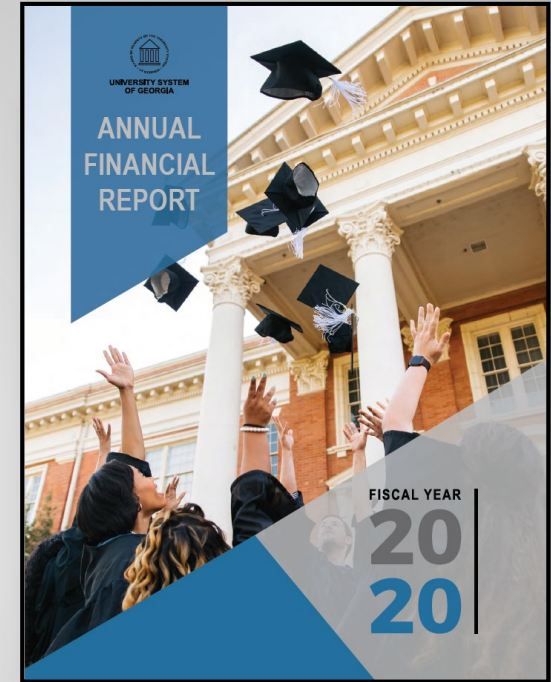


Engagement Results – Follow-up

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



Information Item #2:
University System of Georgia
Consolidated Annual Financial Report
For Fiscal Year Ended June 30, 2020



Annual Financial Report Overview

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



Financial Highlights

CONDENSED STATEMENT OF NET POSITION	June 30, 2020	June 30, 2019	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 2,553,028,484	\$ 2,471,187,616	\$ 81,840,868	3.31%
Capital Assets, Net	10,223,868,912	10,180,886,037	42,982,875	0.42%
Other Assets	464,775,983	489,893,475	(25,117,492)	(5.13%)
TOTAL ASSETS	13,241,673,379	13,141,967,128	99,706,251	0.76%
DEFERRED OUTFLOWS	1,401,429,812	1,242,647,053	158,782,759	12.78%
LIABILITIES				
Current Liabilities	824,007,285	929,281,944	(105,274,659)	(11.33%)
Non-Current Liabilities	10,635,140,082	10,144,248,555	490,891,527	4.84%
TOTAL LIABILITIES	11,459,147,367	11,073,530,499	385,616,868	3.48%
DEFERRED INFLOWS	1,263,250,818	1,277,144,280	(13,893,462)	(1.09%)
NET POSITION				
Net Investment in Capital Assets	7,127,418,774	7,029,370,125	98,048,649	1.39%
Restricted, Non-Expendable	184,012,099	181,015,931	2,996,168	1.66%
Restricted, Expendable	275,758,295	265,970,604	9,787,691	3.68%
Unrestricted (Deficit)	(5,666,484,162)	(5,442,417,258)	(224,066,904)	(4.12%)
TOTAL NET POSITION	\$ 1,920,705,006	\$ 2,033,939,402	\$ (113,234,396)	(5.57%)



Revenue by Source

Total \$9.2 Billion

REVENUES BY SOURCE	June 30, 2020	June 30, 2019	Increase/ (Decrease)	% Change
Tuition and Fees, net	\$ 2,192,707,819	\$ 2,108,520,037	\$ 84,187,782	3.99%
Federal Appropriations	21,833,541	21,289,268	544,273	2.56%
Grants and Contracts	2,130,544,460	1,993,029,057	137,515,403	6.90%
Sales and Services	220,891,867	265,330,239	(44,438,372)	(16.75%)
Auxiliary Enterprises	763,728,105	932,353,737	(168,625,632)	(18.09%)
Other Operating Revenues	193,512,175	211,570,471	(18,058,296)	(8.54%)
Total Operating Revenues	5,523,217,967	5,532,092,809	(8,874,842)	(0.16%)
State Appropriations	2,551,358,929	2,434,474,803	116,884,126	4.80%
Grants and Contracts	882,691,582	693,921,040	188,770,542	27.20%
Gifts	67,463,780	75,353,258	(7,889,478)	(10.47%)
Investment Income	59,344,988	66,677,756	(7,332,768)	(11.00%)
Total Non-operating Revenues	3,560,859,279	3,270,426,857	290,432,422	8.88%
State Capital Gifts and Grants	102,296,731	340,768,312	(238,471,581)	(69.98%)
Other Capital Gifts and Grants	19,292,017	22,529,209	(3,237,192)	(14.37%)
Total Capital Gifts and Grants	121,588,748	363,297,521	(241,708,773)	(66.53%)
Additions to Permanent and Term Endowments	963,556	1,300,359	(336,803)	(25.90%)
Total Revenues	\$ 9,206,629,550	\$ 9,167,117,546	\$ 39,512,004	0.43%



Operating Expenses

Total \$9.3 Billion

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2020	June 30, 2019	Increase/ (Decrease)	% Change
Instruction	\$ 2,201,888,980	\$ 2,017,527,382	\$ 184,361,598	9.14%
Research	1,594,409,119	1,472,916,229	121,492,890	8.25%
Public Service	464,237,291	442,630,398	21,606,893	4.88%
Academic Support	705,893,590	664,965,638	40,927,952	6.15%
Student Services	356,838,705	359,077,696	(2,238,991)	(0.62%)
Institutional Support	1,478,314,861	1,323,922,858	154,392,003	11.66%
Plant Operations and Maintenance	771,910,294	783,172,411	(11,262,117)	(1.44%)
Scholarships and Fellowships	452,123,081	301,388,665	150,734,416	50.01%
Auxiliary Enterprises	707,469,928	841,835,875	(134,365,947)	(15.96%)
Patient Care	438,148,190	416,200,756	21,947,434	5.27%
Total Operating Expenses	9,171,234,039	8,623,637,908	547,596,131	6.35%
Interest Expense	133,684,315	139,195,925	(5,511,610)	(3.96%)
Other Nonoperating Expense	28,893,369	30,666,469	(1,773,100)	(5.78%)
Total Expenses	\$ 9,333,811,723	\$ 8,793,500,302	\$ 540,311,421	6.14%



Questions?

