



The University System of Georgia Annual Financial Report FY 2011

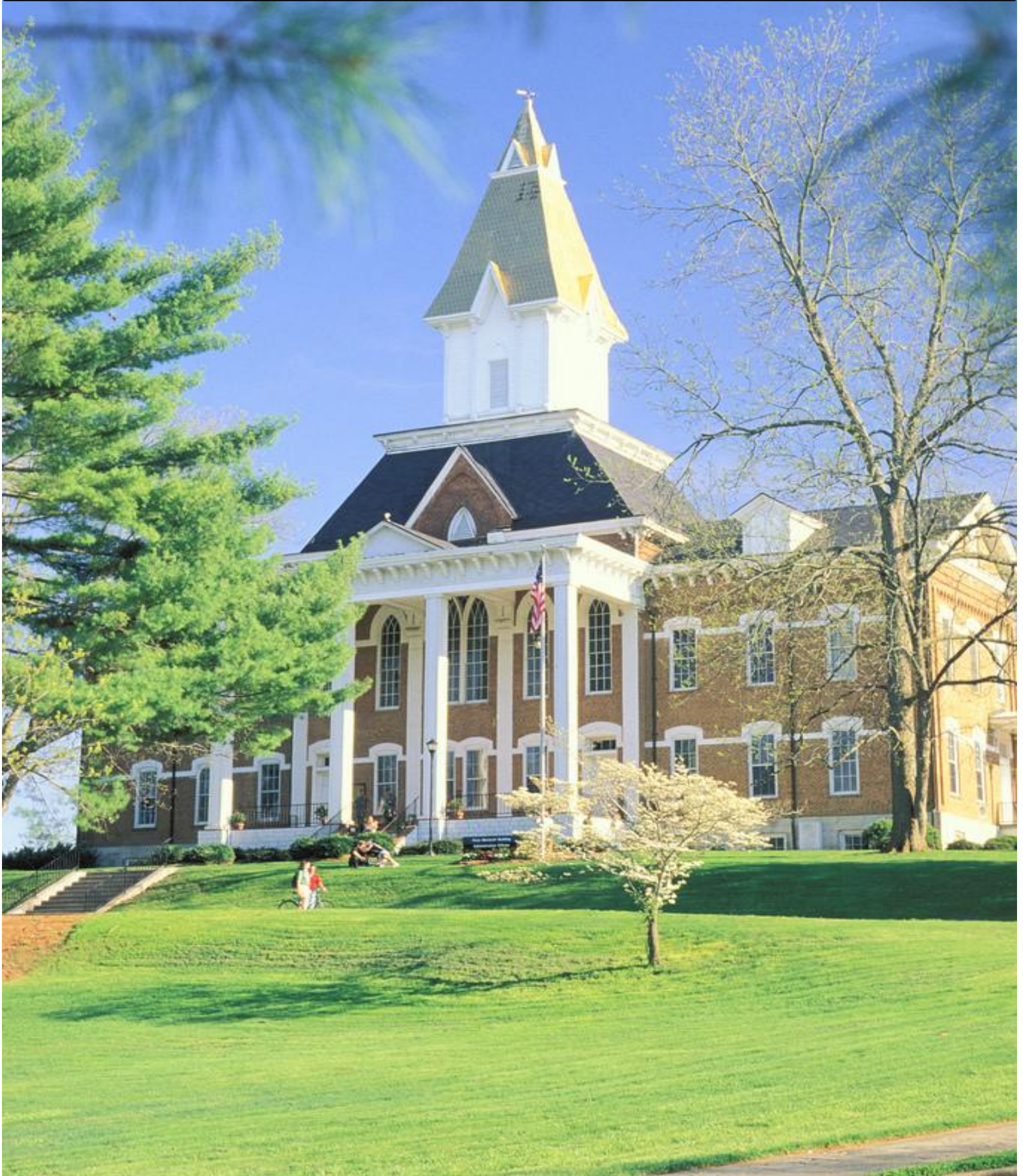




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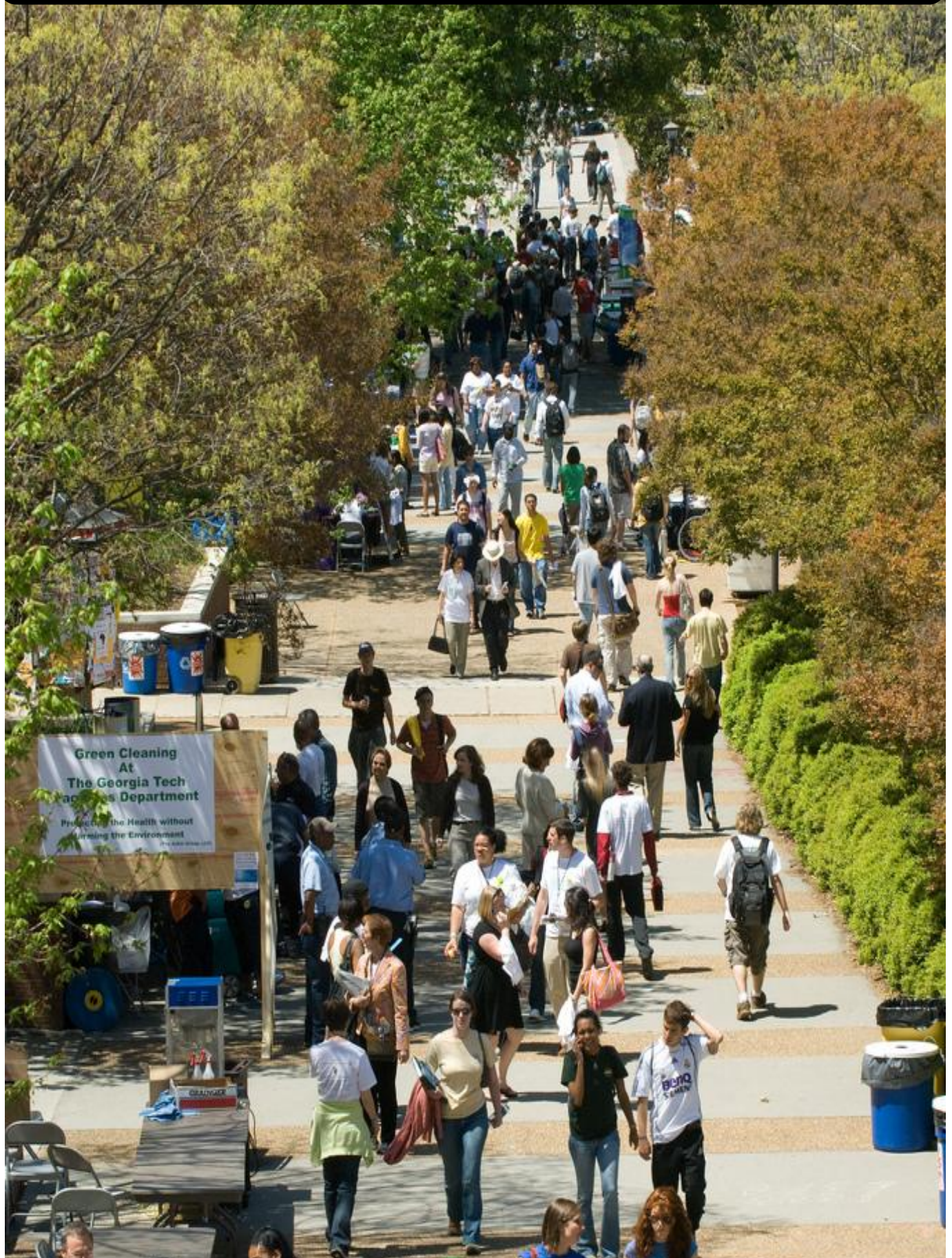
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INTRODUCTORY SECTION



LETTER OF TRANSMITTAL

OFFICE OF FISCAL AFFAIRS
270 WASHINGTON STREET, SW
ATLANTA, GEORGIA 30334
404-656-2232

January 17, 2012

Chancellor Henry M. "Hank" Huckaby
Board of Regents
University System of Georgia

Dear Chancellor Huckaby:

We are pleased to present to you the Annual Financial Report for the Board of Regents of the University System of Georgia for the year ended June 30, 2011. The report provides financial information about the University System of Georgia's operations during the year and presents its financial position at the end of the fiscal year.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose, the objective of which is to provide reasonable assurance that the financial statements are free of material misstatements. Further, the officers of the various institutions of the University System of Georgia and its affiliated organizations have assured us that every effort has been made to reflect accurately the information considered important to all concerned parties.

State law, federal guidelines, bond covenants and the by-laws of the Board of Regents require that the accounting and financial records of the University System of Georgia be audited each year. The Georgia Department of Audits and Accounts has performed the audit for fiscal 2011 and has issued an unqualified opinion, the most favorable outcome of the audit process. The State Auditor's report is located at the beginning of the financial section.

Management's discussion and analysis (MD&A) immediately follows the auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction therewith.

Respectfully submitted,



John E. Brown
Vice Chancellor for Fiscal Affairs and Treasurer
Board of Regents of the University System of Georgia

Members of the Board of Regents

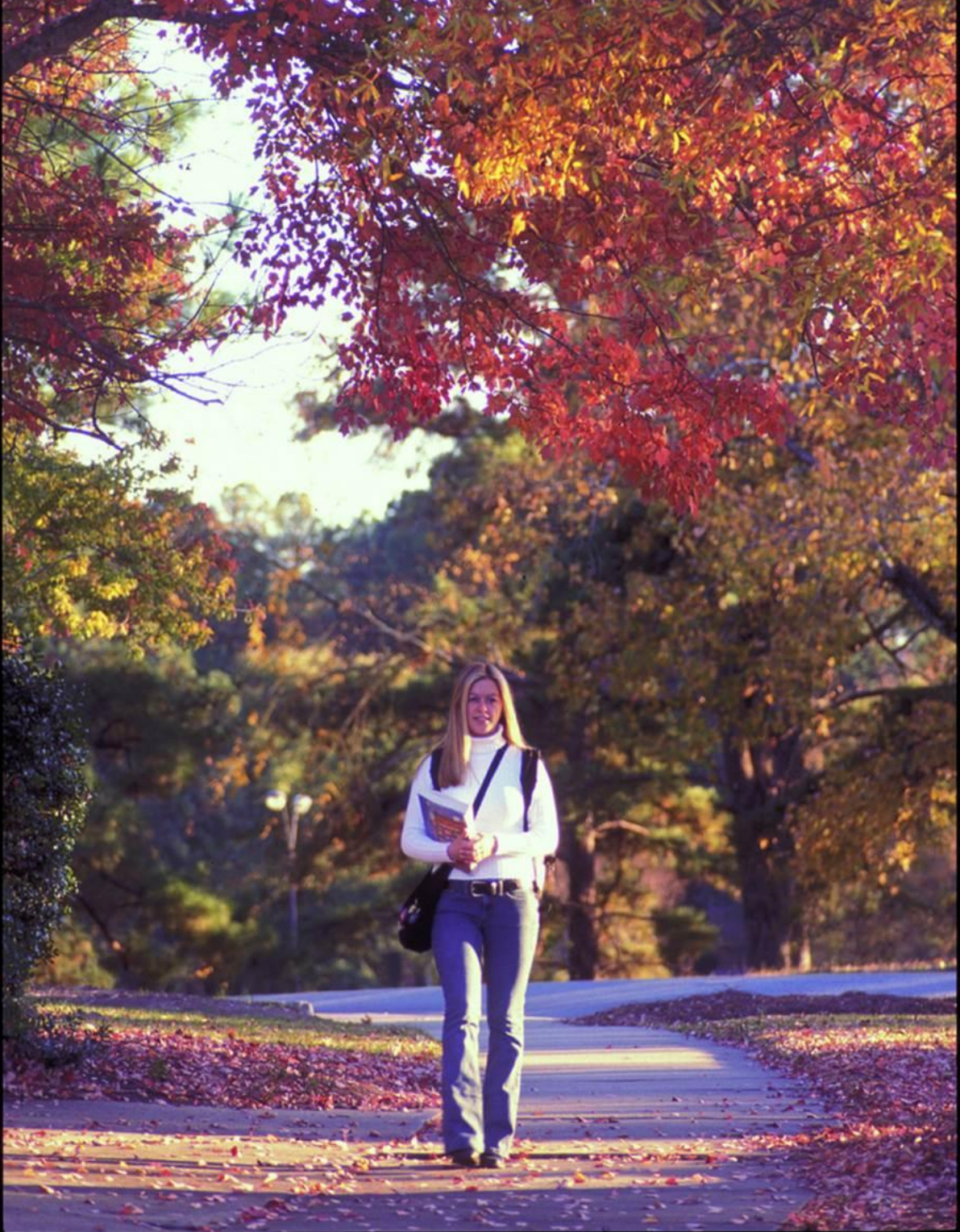
The Board of Regents of the University System of Georgia was created in 1931 as a part of a reorganization of Georgia's state government. With this act, public higher education in Georgia was unified for the first time under a single governing and management authority. The governor appoints members to the Board, who each serve seven years. Today the Board of Regents is composed of 18 members, five of whom are appointed from the state-at-large, and one from each of the 13 congressional districts. The Board elects a chancellor who serves as its chief executive officer and the chief administrative officer of the University System.

The Board oversees 35 colleges and universities that comprise the University System of Georgia, the Skidaway Institute of Oceanography and The Georgia Public Library System. These institutions enrolled 311,442 students in Fall 2010 and employed more than 40,000 faculty and staff to provide teaching and related services to students and the communities in which they are located.

Members of the Board include the following:

Kenneth R. Bernard, Jr.
Larry R. Ellis
Rutledge A. "Rusty" Griffin, Jr.
Robert F. "Bob" Hatcher
C. Thomas Hopkins, Jr., MD
W. Mansfield Jennings, Jr.
James R. Jolly
Donald M. Leebern, Jr.
William "Dink" H. NeSmith, Jr. (Vice Chair)
Doreen Stiles Poitevint
Willis J. Potts, Jr.
Neil L. Pruitt, Jr.
Wanda Yancey Rodwell
Kessel Stelling, Jr.
Benjamin J. "Ben" Tarbutton, III (Chair)
Richard L. Tucker
Larry Walker
Philip A. Wilheit, Sr.

Financial Section





DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Russell W. Hinton
STATE AUDITOR
(404) 656-2174

January 17, 2012

Honorable Nathan Deal, Governor
Members of the General Assembly of Georgia
Members of the Board of Regents of the
University System of Georgia
and
Honorable Henry M. Huckaby, Chancellor

INDEPENDENT AUDITOR'S COMBINED REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Ladies and Gentlemen:

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the University System of Georgia, an organizational unit of the State of Georgia, as of and for the year ended June 30, 2011 which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University System of Georgia's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University System of Georgia's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


As discussed in Note 1, the financial statements of the University System of Georgia are intended to present the financial position and changes in financial position, and where applicable, cash flows of only that portion of the activities of the State of Georgia that is attributable to the transactions of the University System of Georgia. They do not purport to, and do not, present fairly the financial position and changes in financial position, and where applicable, cash flows of the State of Georgia, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate remaining fund information of the University System of Georgia as of June 30, 2011, and the respective changes in financial position, and where applicable cash flows, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a part of the basic financial statements but is required supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University System of Georgia taken as a whole. The accompanying Introductory and Supplementary Information Sections, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russell W. Hinton", with a stylized flourish at the end.

Russell W. Hinton, CPA, CGFM
State Auditor

RWH:ca

Management's Discussion and Analysis

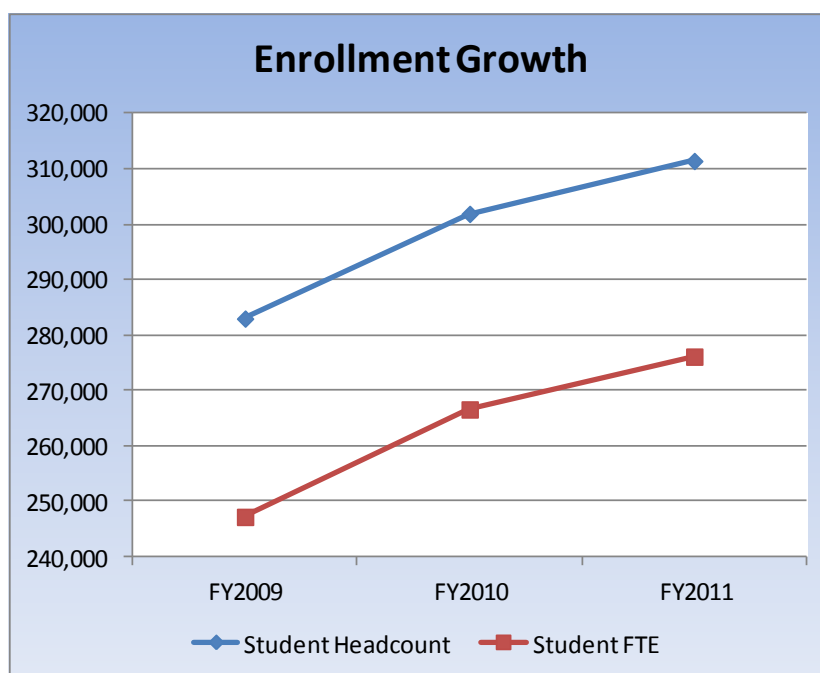
Introduction

The mission of the University System of Georgia is to contribute to the educational, cultural, economic and social advancement of Georgia by providing excellent undergraduate general education and high quality programs leading to associate, baccalaureate, masters, professional and doctorate degrees; by pursuing leading-edge basic and applied research, scholarly inquiry and creative endeavors; and by bringing these intellectual resources, and those of the public libraries, to bear on the economic development of the State and the continuing education of its citizens.

This discussion and analysis is intended to provide a summary of the financial position of the University System of Georgia for the fiscal year ending June 30, 2011. It should allow the user to review how the University System utilized its resources in pursuit of its primary goals of instruction, research and public service.

The Board of Regents and Chancellor Henry M. "Hank" Huckaby are charged with the leadership of the thirty-five institutions of the University System of Georgia. The University System continues to prosper, as is demonstrated by the following information:

	STUDENT HEADCOUNT	STUDENT FTE
FY2011	311,442	276,109
FY2010	301,892	266,575
FY2009	282,978	247,168



State Resources

The General Appropriations Act of 2011, as amended, appropriated a total of \$1,801,721,416 to the University System of Georgia. In addition, House Bill 948, as amended by House Bill 77, appropriated \$9,652,634 from Tobacco funds.

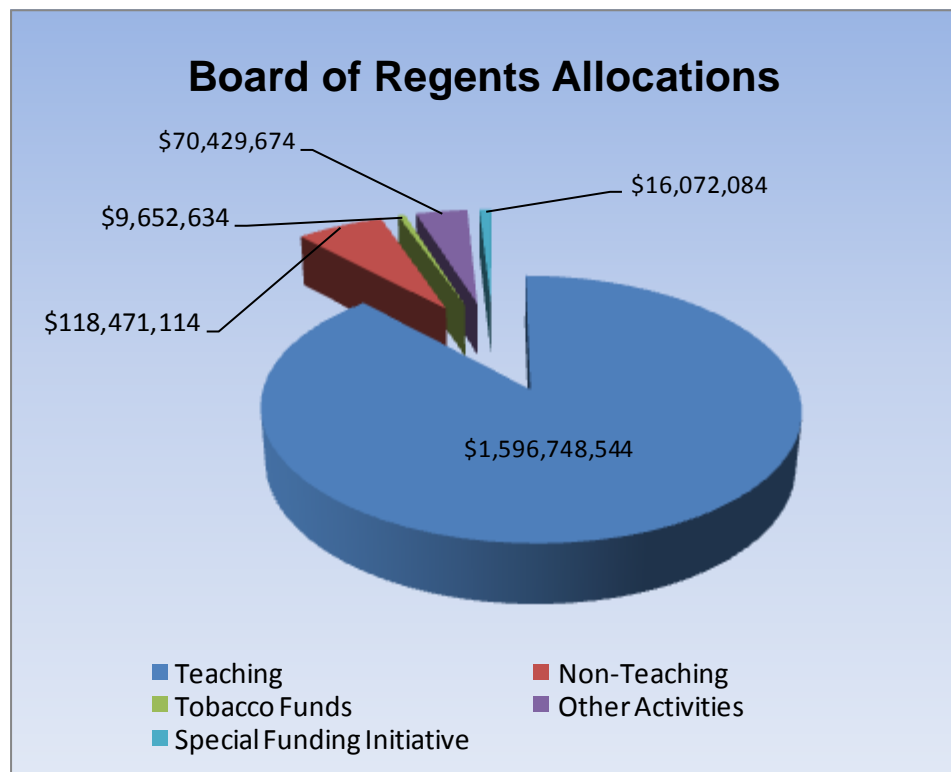
The following table presents the State Appropriations available to the University System of Georgia from the General Appropriations Act of 2011:

STATE APPROPRIATIONS AVAILABLE - GENERAL APPROPRIATIONS	
House Bill 948	
General State Funds	\$ 1,912,057,897
Tobacco Funds	11,104,093
House Bill 947	
General State Funds	(110,336,481)
Tobacco Funds	(1,451,459)
Total State Appropriations Available Per Appropriations Act to the University System of Georgia	\$ 1,811,374,050

The table below presents the FY 2011 allocations by the Board of Regents to the University System of Georgia institutions:

ALLOCATIONS BY THE BOARD OF REGENTS	
Education and General	
Teaching	\$ 1,596,748,544
Non-Teaching	118,471,114
Tobacco Funds	9,652,634
Other Activities	
Regents Central Office	\$ 5,783,997
Rental Payments - GA Military College	2,393,133
GA Public Telecommunications Commission	13,462,630
GA Public Libraries	33,649,362
Research Consortium	15,140,552
Total Other Activities	70,429,674
Special Initiative Funding	16,072,084
Total Education and General	\$ 1,811,374,050
Net State Appropriations Available to the University System of Georgia	\$ 1,811,374,050

The following chart illustrates the Board of Regents allocations to Teaching, Non-Teaching, Tobacco Funds, Other Activities and Special Funding Initiatives:



Overview of the Financial Statements and Financial Analysis

The University System of Georgia is pleased to present its consolidated financial statements for fiscal year 2011. These statements contain information from the thirty-five institutions of the University System of Georgia, the Skidaway Institute of Oceanography and the University System Office. Each institution has prepared a separate annual financial report that is available upon request.

The emphasis of discussions about these statements will be on current year data. There are three consolidated financial statements presented: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows.

Two fiduciary fund statements also are included with the financial statements noted above: the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets. These statements provide information regarding the Board of Regents Retiree Health Benefit Fund.

The Notes to the Financial Statements immediately follow the consolidated and fiduciary fund statements. They contain essential information that serves both to support and clarify the information presented in the financial statements preceding them.

Finally, the Supplemental Information section includes selected information by institution as well as information on affiliated organizations that have been deemed significant to their respective institutions. This section also includes consolidated financial statements presented on a statutory/budget basis.

This discussion and analysis of the University System of Georgia's consolidated financial statements provide an overview of its financial activities for the fiscal year. Further information is provided by comparative data for fiscal 2011 and 2010.

Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities and net assets of the University System of Georgia as of June 30, 2011. The Statement of Net Assets is a point-of-time financial statement. The purpose of the Statement of Net Assets is to present to the readers a fiscal snapshot of the University System. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the services are provided and expenses and liabilities are recognized when others provide the service to the University System, regardless of when cash is exchanged.

From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operations of the University System. They also are able to determine how much the University System owes vendors, investors and lending institutions. Finally, the Statement of Net Assets provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the University System of Georgia.

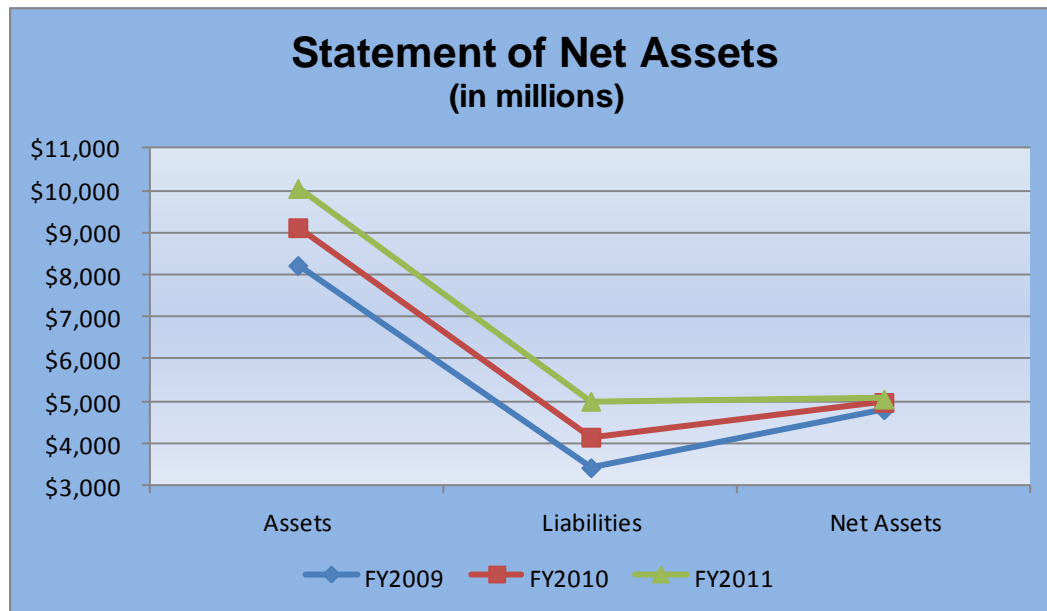
Current assets include resources that are available to support the current operations of the University System and include categories such as cash, cash equivalents, accounts receivable and inventory on hand. Non-current assets include capital and certain investments. Other assets include non-current assets such as endowment corpus, short-term investments and notes receivable. Total assets as of June 30, 2011 were \$10.054 billion, as compared to \$9.124 billion as of June 30, 2010, for an increase of \$930 million, or 10.2%. Current assets as of June 30, 2011 increased by \$7 million; non-current assets increased \$923 million.

Current liabilities include those items that are expected to become due within the following fiscal year. They include accounts payable, salaries and wages payable and the current portion of capital leases. Non-current liabilities include the non-current portion of capital leases and lease purchases for capital items as well as compensated absences. Total liabilities increased by \$852 million, from \$4.149 billion at June 30, 2010 to \$5.001 billion on June 30, 2011.

Net assets are divided into three major categories. The first category, invested in capital assets, net of debt, provides the University System's equity in property, plant and equipment owned by the institution. The next asset category is restricted net assets, which is further reported in two components, non-expendable and expendable. Restricted, non-expendable net assets consist solely of the University System's permanent endowment funds, which are

available only for investment purposes. Restricted, expendable net assets are available for expenditure by the institution; however, they 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 net assets, which are available to the University System for any lawful purpose.

The University System of Georgia's financial position at June 30, 2011 is very strong, with total assets of \$10.05 billion, total liabilities of \$5.0 billion, and net assets of \$5.05 billion. These amounts are illustrated below:



Assets – Increase of \$930 Million

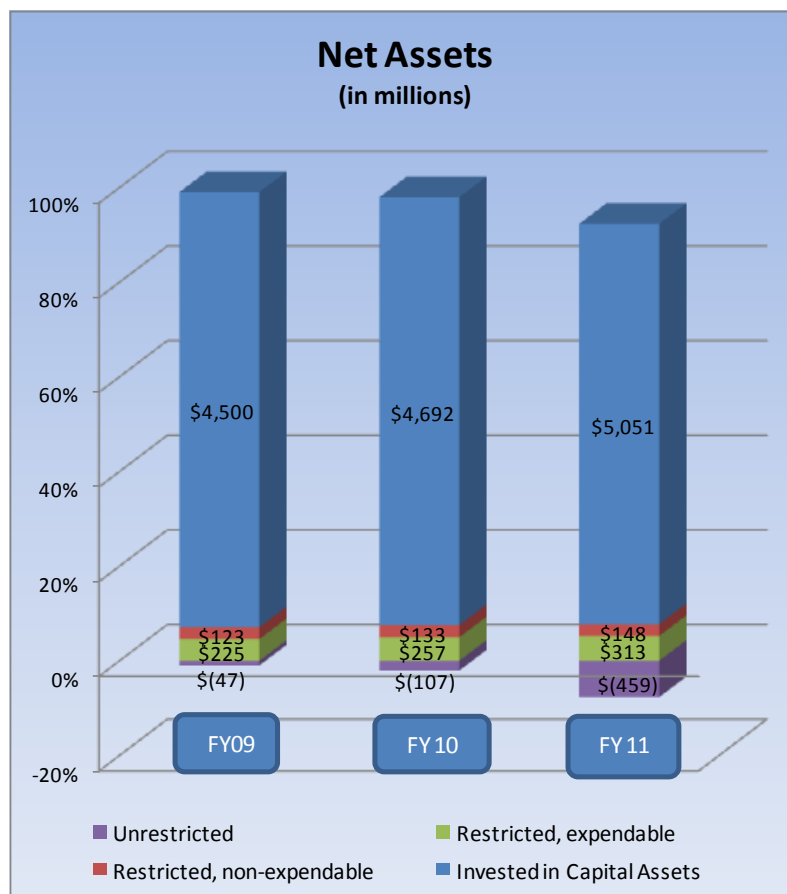
Total assets of the University System of Georgia in fiscal 2011 were approximately \$930 million more than those reported for fiscal 2010. A review of the Statement of Net Assets will reveal that the increase primarily was due to an increase of \$903 million in capital assets, net of accumulated depreciation and a \$27 million increase in accounts receivable, net.

Liabilities – Increase of \$852 Million

Total liabilities for fiscal 2011 were approximately \$852 million more than those reported for fiscal 2010. The primary components of this increase were \$518 million in lease purchase obligations, \$317 million in the net Other Post-Employment Benefit (OPEB) obligation, and \$17 million in salaries and benefits payable.

Net Assets – Increase of \$78 million

The combination of the increase in total assets of \$930 million and the increase in total liabilities of \$852 million yielded a net increase in total net assets of \$78 million, or 1.6%. The increase in total net assets primarily consists of a higher amount in the Invested in Capital Assets, net of related debt category totaling \$391 million and an increase of \$38 million in restricted net assets. These increases were partially offset by a net decrease of \$351 million in unrestricted net assets, which is largely due to OPEB reporting requirements; the net OPEB obligation increased from \$699.9 million in FY 2010 to \$1,017.4 million in FY 2011. The following chart depicts the level, by category, of net assets:



The following table summarizes the University System of Georgia's assets, liabilities and net assets as of June 30, 2011 and June 30, 2010.

CONDENSED STATEMENT OF NET ASSETS (in millions)			
	June 30, 2011	June 30, 2010	% Change
ASSETS			
Current Assets	\$ 1,600	\$ 1,593	0.4%
Capital Assets, Net	8,208	7,305	12.4%
Other Assets	246	226	8.8%
TOTAL ASSETS	10,054	9,124	10.2%
LIABILITIES			
Current Liabilities	789	775	1.8%
Non-current Liabilities	4,212	3,374	24.8%
TOTAL LIABILITIES	5,001	4,149	20.5%
NET ASSETS			
Invested in Capital Assets, net of debt	5,051	4,660	8.4%
Restricted, Non-Expendable	148	133	11.3%
Restricted, Expendable	283	258	9.7%
Capital Projects	30	32	-6.3%
Unrestricted	(459)	(108)	325.0%
TOTAL NET ASSETS	\$ 5,053	\$ 4,975	1.6%

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. All things being equal, a public University's dependency on state appropriations and gifts will result in operating deficits. The Governmental Accounting Standards Board (GASB) requires state appropriations and gifts to be classified as non-operating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

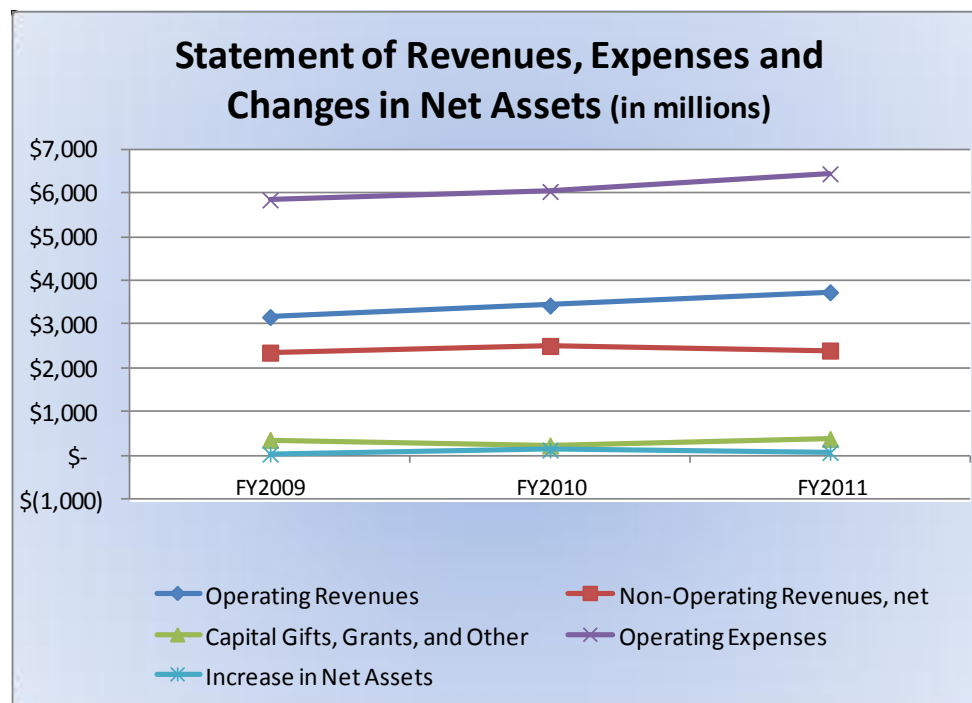
Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Assets. The purpose of the statement is to present the revenues received by the University System institutions, both operating and non-operating, and the expenses paid by the institutions, operating and non-operating, and any other revenues, expenses, gains or losses received or spent by the University System institutions.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the institutions. 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 institutions. 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 System without the legislature directly receiving commensurate goods or services for those revenues. State capital grants and gifts and other capital grants and gifts are considered neither operating nor non-operating revenues and are reported after “Income before other revenues, expenses, gains or losses.”

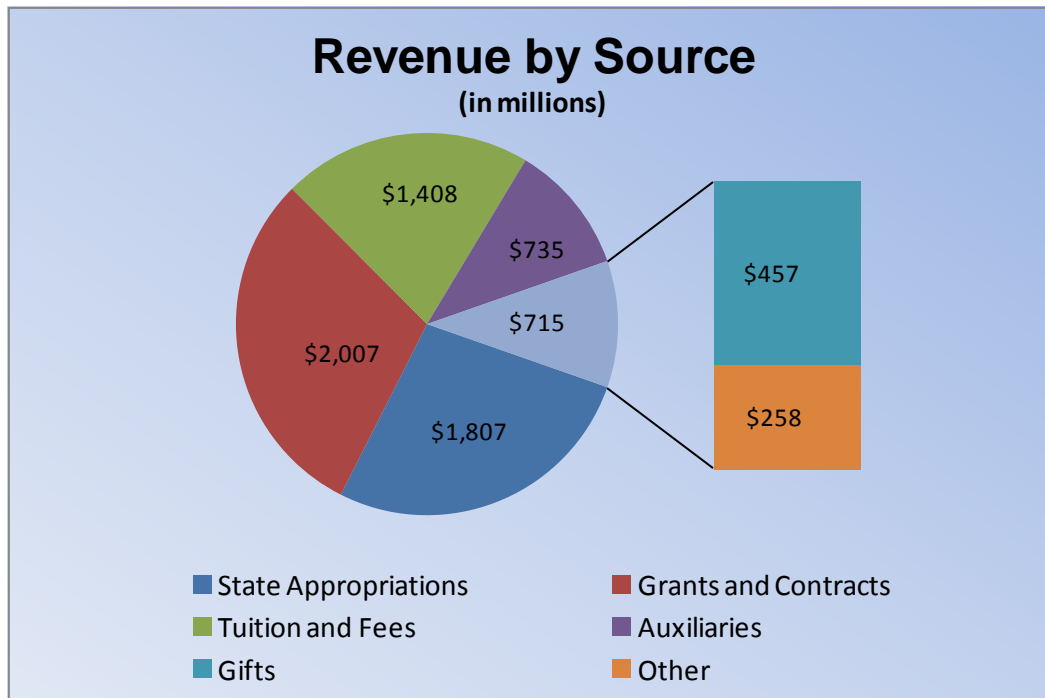
The Statement of Revenues, Expenses and Changes in Net Assets indicates a positive year, which is represented by an increase in net assets at the end of the year. Some highlights of the information presented on this statement are as follows:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (in millions)			
	June 30, 2011	June 30, 2010	% Change
Operating Revenue	\$ 3,731	\$ 3,427	8.9%
Operating Expense	6,439	6,033	6.7%
Operating Loss	(2,708)	(2,606)	3.9%
Non-Operating Revenue and Expense	2,399	2,503	-4%
Income (Loss) before other revenue, expense, gains, losses or other items	(309)	(103)	200.0%
Other revenue, expense, gains, losses and special items	378	229	65.1%
Increase in Net Assets	69	126	-45.2%
Net Assets at beginning of year, as originally reported	4,975	4,801	3.6%
Prior Year Adjustments	9	48	-81.3%
Net Assets at beginning of year, restated	4,984	4,849	2.8%
Net Assets at end of year	\$ 5,053	\$ 4,975	1.6%



Revenues

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



State appropriations increased \$114 million (6.7%) in fiscal 2011; however, this increase was more than offset by the fact that the award of \$280.4 million in Federal Stimulus Stabilization Funds in fiscal 2010 did not continue for fiscal 2011.

Grants and contracts revenue increased \$188 million (10.3%) in fiscal 2011. This increase is largely attributable to increased Pell grant revenues and increased grant awards.

Tuition and fee revenues, net increased \$174 million (14.1%) in fiscal 2011 when compared with fiscal 2010. The tuition and fee increase is attributable to increased enrollment and annual tuition and fee increases, including a mandatory "institutional fee" that was established to partially meet the funding gap created by decreased State appropriations.

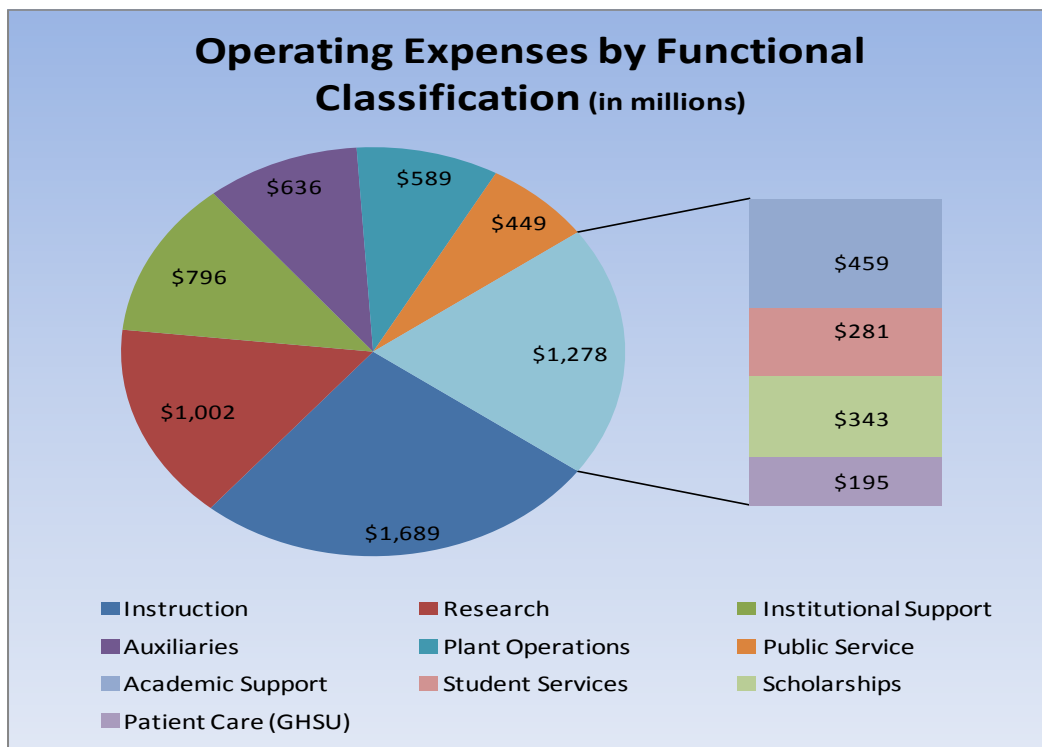
Auxiliary operations increased by \$49 million (7.1%) fiscal 2011 as compared to fiscal 2010. Primary components of this increase included residence halls (\$28 million), food services (\$9 million), intercollegiate athletics (\$8 million), and transportation and parking (\$4 million).

The gifts revenue category includes both capital and non-capital gifts. The largest element of gift revenue relates to amounts received from the Georgia State Financing and Investment

Commission (GSFIC). Institutions with the University System of Georgia receive gift revenue either through reimbursement or capital asset transfer for approved construction, capital additions or maintenance projects.

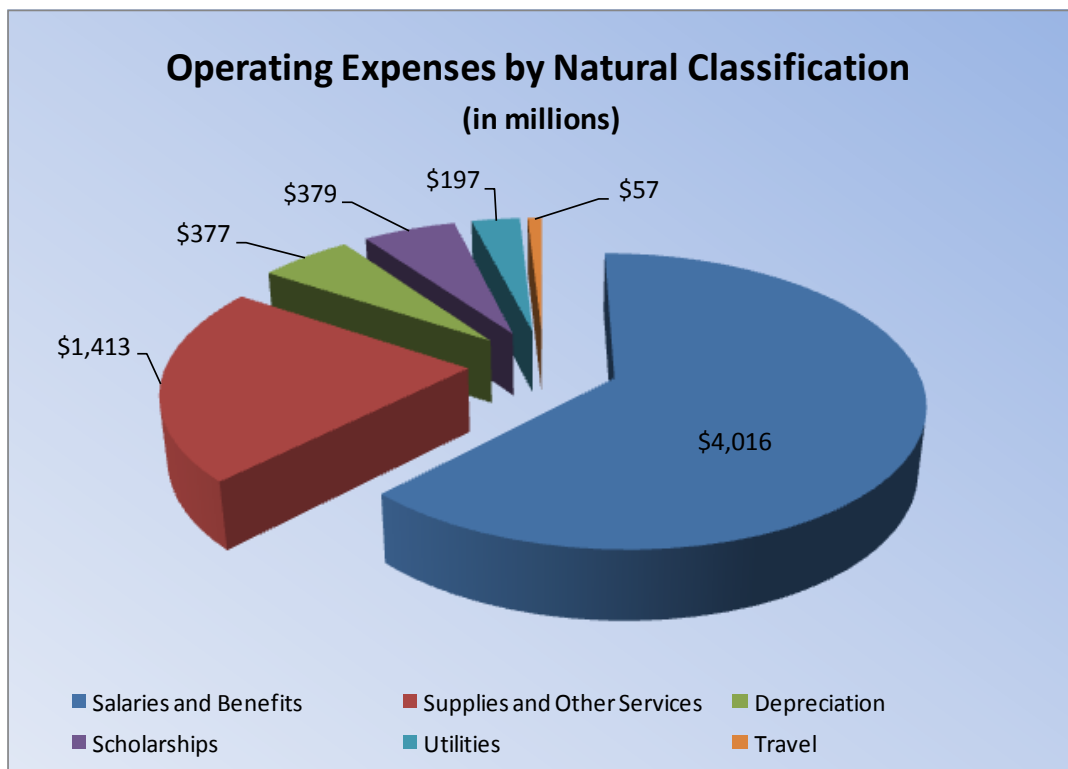
Expenses

An illustration of total operating expenses by functional classification is provided as follows:



Total operating expenses were \$6,439 million in fiscal 2011, an increase of \$406 million (6.7%) when compared with fiscal 2010. These increases are primarily attributable to the following functional classifications: Instruction (\$102 million); Plant Operations and Maintenance (\$77 million); Institutional Support (\$64 million) Scholarships and Fellowships (\$42 million); Research (\$39 million); Auxiliaries (\$31 million); Student Services (\$26 million); Academic Support (\$24 million); and Public Service (\$7 million). The amounts were partially offset by a decrease in Patient Care (Georgia Health Sciences University) of \$6 million.

The following depicts the fiscal 2011 operating expenses by natural classification:



As noted above, expenses increased \$406 million (6.7%) in fiscal 2011 when compared with fiscal 2010. The increases were substantially attributable to salaries and benefits, including other personal services (\$221 million) associated with increased enrollment in the University System of Georgia institutions, supplies and services (\$93 million), scholarships (\$45 million), depreciation expense (\$26 million), utilities (\$12 million) and travel (\$9 million).

Statement of Cash Flows

The final statement presented by the University System of Georgia is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University System during the year and is divided into five parts. The first part is concerned with operating cash flows and reflects the net cash used by the various operating activities of the University System. 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 Assets.

A summary of the Statement of Cash Flows is provided below:

CONDENSED STATEMENT OF NET CASH FLOWS (in millions)				June 30, 2011	June 30, 2010
Cash Provided (Used) by:					
Operating Activities	\$	(1,989)	\$	(1,966)	
Non-Capital Financing Activities		2,515		2,579	
Capital and Related Financing Activities		(559)		(401)	
Investing Activities		(2)		16	
NET CHANGE IN CASH		(35)		228	
Cash, beginning of year		988		760	
CASH, end of year	\$	953	\$	988	

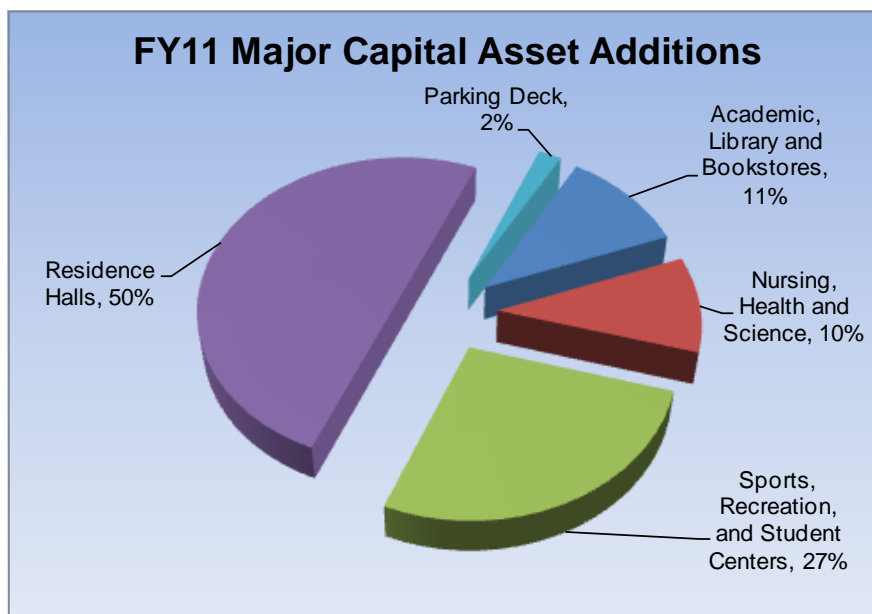
Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2011 and June 30, 2010 were as follows:

CAPITAL ASSETS, net of accumulated depreciation (in millions)	June 30, 2011	June 30, 2010	Increase (Decrease)	% Change
Land	\$ 311	\$ 244	\$ 67	27.5%
Construction in Progress	218	223	(5)	-2.2%
Infrastructure, Facilities, and Improvements	382	360	22	6.1%
Building and Improvements	4,822	4,424	398	9.0%
Equipment	383	364	19	5.2%
Capital Leases	1,867	1,469	398	27.1%
Library and other collections	218	213	5	2.3%
Software	7	8	(1)	-12.5%
Capital Assets, net of accumulated depreciation	\$ 8,208	\$ 7,305	\$ 903	12.4%

The University System of Georgia increased \$903 million in capital assets, net during fiscal 2011, primarily in the Buildings and Improvements, Capital Lease and Land categories. The spending includes classroom buildings, libraries, student services, housing, parking, recreation centers, health services and other facilities necessary to support the mission of the University System of Georgia.

Significant Building and Capital Lease additions that occurred in fiscal 2011 are as follows:



Long-Term Debt and Liabilities

The University System of Georgia had long-term debt and liabilities in fiscal 2011 of \$4.37 billion, excluding related party liabilities and deferred revenue. Non-current liabilities included lease purchase obligations of \$3.17 billion, compensated absences of \$184.9 million, net OPEB obligation of \$1,017.4 million, and other non-current liabilities of \$1 million. Of these amounts, \$168.5 million was reflected as current liabilities at June 30, 2011.

For additional information concerning long-term debt of the University System of Georgia, please refer to notes 1, 8 and 10 in the Notes to the Financial Statements.

Retiree Health Benefit Fund

The University System Office is the custodian of the Board of Regents Retiree Health Benefit Fund. This fund was authorized pursuant to the Official Code of Georgia Annotated Section 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employee health insurance benefits.

As noted in the Long-Term Debt and Liabilities section above, the University System of Georgia carries a net OPEB Obligation liability of \$1,017.4 million as of June 30, 2011. The Board of Regents continues to evaluate options to reduce this growing liability.

For additional information concerning the Retiree Health Benefit Fund, please refer to note 14 in the Notes to Financial Statements.

Affiliated Organizations

System-wide, there were eighteen affiliated organizations that met one or more criteria for component units of the State of Georgia in compliance with GASB Statement No. 39. These organizations are reported in the supplementary information section and also are reported in the State Comprehensive Annual Financial Report (CAFR) as discretely presented component units for fiscal 2010.

Economic Outlook

Fiscal conditions continued to be challenging both nationally and, consequently, for most states, including Georgia, during fiscal year 2011. In fiscal 2011, the State of Georgia began to have slight increases in revenue collections; however, due to the shortfall in fiscal year 2010, the fiscal year 2011 budget was reduced by 4%. Further, the \$280 million in Federal Stimulus Stabilization funds were eliminated. Economic conditions will continue to be challenging in fiscal year 2012 as well, due to an additional 2% reduction in state appropriations and the absence of state appropriation funding for enrollment growth. After fiscal 2012, projections are that the state's economy will begin both to recover and stabilize.

Despite the current economic climate and budget reductions, the University System of Georgia has continued to respond proactively to budget reductions through both cost-saving and efficiency measures, and also has continued to succeed in its mission to serve the higher education needs of the citizens of Georgia. One measure of this success is demonstrated by the growth in enrollment to more than 311,000 students in fiscal year 2011. Enrollment is expected to increase in Fiscal 2012 as well.

Looking forward, the Board of Regents and Chancellor Huckaby will continue to serve the State of Georgia by providing leadership in higher education as well as excellent stewardship of state and University System resources, and by planning strategically for the future of the University System by focusing on performance, partnerships and value, which are vital to the successful future of the State of Georgia.



John E. Brown
Vice Chancellor for Fiscal Affairs and Treasurer
University System of Georgia

FINANCIAL STATEMENTS



UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET ASSETS
June 30, 2011

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 943,601,436
Short-term Investments	107,088,548
Accounts Receivable, net (note 3)	
Receivables - Federal Financial Assistance	124,423,419
Receivables - Other	335,173,853
Inventories (note 4)	22,851,111
Prepaid Items	67,524,296
Other Assets	76,231
Total Current Assets	<u>\$ 1,600,738,894</u>

Non-current Assets

Non-current Cash	\$ 9,529,853
Short-term Investments	85,823
Investments (Externally Restricted)	68,338,470
Other Non-current Assets	450,077
Investments	122,938,862
Notes Receivable, net	44,694,897
Capital Assets, net (note 6)	8,207,761,181
Total Non-current Assets	<u>\$ 8,453,799,163</u>

TOTAL ASSETS

\$ 10,054,538,057

LIABILITIES

Current Liabilities

Accounts Payable	\$ 162,939,972
Salaries Payable	29,064,595
Benefits Payable	23,627,566
Contracts Payable	12,740,686
Deposits	33,119,613
Deferred Revenue (note 7)	286,515,191
Other Liabilities	9,105,815
Deposits Held for Other Organizations	63,519,082
Lease Purchase Obligations (current portion)	58,923,725
Compensated Absences (current portion)	109,476,058
US DOE Settlement (Fort Valley) (current portion)	61,787
Total Current Liabilities	<u>\$ 789,094,090</u>

Non-current Liabilities (note 8)

Lease Purchase Obligations (noncurrent)	\$ 3,110,506,240
Deferred Revenue (noncurrent) and Other Noncurrent Liabilities	7,898,892
Compensated Absences (noncurrent)	75,399,886
Other Liabilities	806,477
Net OPEB Obligation	1,017,399,000
Total Noncurrent Liabilities	<u>\$ 4,212,010,495</u>

TOTAL LIABILITIES

\$ 5,001,104,585

NET ASSETS

Invested in Capital Assets, net of related debt	\$ 5,050,972,276
Restricted for	
Nonexpendable	148,460,618
Expendable	282,980,272
Capital Projects	30,158,222
Unrestricted	(459,137,916)
TOTAL NET ASSETS	<u><u>\$ 5,053,433,472</u></u>

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

OPERATING REVENUES

Operating Revenues

Student Tuition and Fees (net of allowance for doubtful accounts)	\$ 1,897,562,076
Less: Scholarship Allowances	(489,749,288)
Federal Appropriations	15,155,888
Grants and Contracts	
Federal	641,031,127
Federal Stimulus	47,929,650
State	245,384,995
Other	418,330,632
Sales and Services	127,796,884
Rents and Royalties	4,005,706
Auxiliary Enterprises	
Residence Halls	275,618,433
Bookstore	81,376,143
Food Services	133,455,947
Parking/Transportation	71,316,899
Health Services	49,434,684
Intercollegiate Athletics	95,201,328
Other Organizations	28,412,954
Other Operating Revenues	88,540,489
Total Operating Revenues	<u>\$ 3,730,804,547</u>

OPERATING EXPENSES

Operating Expenses

Salaries:	
Faculty	\$ 1,243,091,461
Staff	1,675,432,022
Employee Benefits	1,087,296,461
Other Personal Services	10,329,246
Travel	56,727,336
Scholarships and Fellowships	379,021,763
Utilities	197,154,544
Supplies and Other Services	1,412,772,508
Depreciation	377,116,105
Total Operating Expenses	<u>6,438,941,446</u>
Operating Income (loss)	<u>(2,708,136,899)</u>

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

NONOPERATING REVENUES (EXPENSES)

State Appropriations	1,807,237,832
Grants and Contracts	
Federal	578,254,914
Federal Stimulus	9,949,558
State	4,929,186
Other	61,254,340
Gifts	77,315,465
Investment Income (endowments, auxiliary and other)	33,025,627
Interest Expense (capital assets)	(162,394,116)
Other Nonoperating Revenues/Expenses	(10,829,355)
Net Nonoperating Revenues	<u>2,398,743,451</u>
Income before other revenues, expenses, gains, or loss	<u>(309,393,448)</u>
Capital Grants and Gifts	
Federal	20,652,185
State	304,497,691
Other	54,469,166
Special Item - Capital Asset Demolition	(1,065,449)
Total Other Revenues and Special Items	<u>378,553,593</u>
Increase in Net Assets	<u>69,160,145</u>

NET ASSETS

Net Assets-beginning of year, as originally reported	4,974,630,760
Prior Year Adjustments	9,642,567
Net Assets-beginning of year, restated	<u>4,984,273,327</u>
Net Assets-End of Year	<u><u>\$ 5,053,433,472</u></u>

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and Fees	\$ 1,408,011,491
Federal Appropriations	15,988,834
Grants and Contracts (Exchange)	1,341,274,588
Sales and Services of Educational Departments	135,649,789
Payments to Suppliers	(2,409,779,610)
Payments to Employees	(2,919,906,723)
Payments for Scholarships and Fellowships	(379,019,261)
Loans Issued to Students and Employees	(9,764,058)
Collection of Loans to Students and Employees	10,982,914
Auxiliary Enterprise Charges:	738,493,775
Other Receipts (payments)	79,192,123
Net Cash Provided (used) by Operating Activities	<u>(1,988,876,138)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State Appropriations	1,807,237,832
Agency Funds Transactions	(16,420,269)
Gifts and Grants Received for Other Than Capital Purposes	719,785,439
Principal Paid on Installment Debt	(431,230)
Interest Paid on Installment Debt	(6,735)
Other Nonoperating Receipts	4,203,281
Net Cash Flows Provided by Non-capital Financing Activities	<u>2,514,368,318</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants and Gifts Received	92,158,085
Proceeds from sale of Capital Assets	4,449,368
Purchases of Capital Assets	(438,859,074)
Principal Paid on Capital Debt and Leases	(69,600,721)
Interest Paid on Capital Debt and Leases	(147,094,565)
Net Cash used by Capital and Related Financing Activities	<u>(558,946,907)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	6,431,923
Interest on Investments	14,752,758
Purchase of Investments	(23,091,879)
Net Cash Provided (used) by Investing Activities	<u>(1,907,198)</u>
Net Increase/Decrease in Cash	<u>(35,361,925)</u>
Cash and Cash Equivalents - Beginning of year	988,491,332
Acquisition of Georgia Museum of Agriculture	1,882
Cash and Cash Equivalents-Beginning of year (restated)	<u>988,493,214</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 953,131,289</u></u>

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

**RECONCILIATION OF OPERATING LOSS TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating Income (loss)	\$ (2,708,136,899)
Provided (used) by Operating Activities	
Depreciation	377,116,105
Change in Assets and Liabilities:	
Receivables, net	(14,284,492)
Inventories	9,524,008
Other Assets	38,453
Prepaid items	(5,691,958)
Notes Receivable, Net	1,077,457
Accounts Payable	29,243,009
Deferred Revenue	(6,614,131)
Other Liabilities	6,731,767
Compensated Absences	4,659,543
Net OPEB Obligation	317,461,000
	<hr/>
Net Cash Provided (used) by Operating Activities	<hr/> (1,988,876,138) <hr/>

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

Fixed assets acquired by incurring capital lease obligations	\$ 551,359,156
Change in fair value of investments recognized as a component of interest income	<hr/> \$ 18,820,472 <hr/>
Special Item - Demolition of Building	<hr/> \$ 1,065,449 <hr/>
Amortization of bond issuance costs reducing interest paid	<hr/> \$ 1,707,829 <hr/>
Change in accrued interest payable affecting interest paid	<hr/> \$ 11,684,499 <hr/>
Gifts other than capital assets reducing proceeds of grants & gifts for other than capital assets	<hr/> \$ 7,507,654 <hr/>
Gift of capital assets reducing proceeds of capital grants and gifts	<hr/> \$ 287,460,957 <hr/>
Interest on Capital Debt Forgiven by VSU Auxiliary Real Estate Foundation, LLC	<hr/> \$ 2,055,998 <hr/>
Principal on Capital Debt Forgiven by VSU Auxiliary Real Estate Foundation, LLC	<hr/> \$ 488,460 <hr/>
Reduction in Capital Lease Obligation	<hr/> \$ 326,181 <hr/>

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
BOARD OF REGENTS RETIREE HEALTH BENEFIT FUND
June 30, 2011**

ASSETS

Cash and Cash Equivalents	\$ 3,534,978
Receivables	
Employer	<u>4,233,927</u>
TOTAL ASSETS	<u><u>7,768,905</u></u>

LIABILITIES

Accounts payable	105,892
Benefits payable	<u>7,539,783</u>
TOTAL LIABILITIES	<u><u>7,645,675</u></u>

NET ASSETS

Net assets held in trust for other postemployment benefits	<u>123,230</u>
TOTAL NET ASSETS	<u><u>\$ 123,230</u></u>

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
BOARD OF REGENTS RETIREE HEALTH BENEFIT FUND
Year Ended June 30, 2011**

ADDITIONS

Contributions	
Employer	\$ 80,261,907
Plan member	25,770,842
Other	13,592,614
Total Contributions	<u>\$ 119,625,363</u>
Investment Income	
Interest/dividends	386,488
Less: Investment expense	-
Net Investment Income	<u>\$ 386,488</u>
TOTAL ADDITIONS	<u><u>\$ 120,011,851</u></u>

DEDUCTIONS

Benefits	\$ 108,809,029
Life Insurance Premium Expense	6,611,811
Administrative expense	4,590,319
Total Deductions	<u>\$ 120,011,159</u>

NET INCREASE/(DECREASE)	\$ 692
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**NET ASSETS HELD IN TRUST FOR
OTHER POSTEMPLOYMENT BENEFITS**

Beginning of year	122,538
End of year	<u><u>\$ 123,230</u></u>

NOTES TO THE FINANCIAL STATEMENTS



UNIVERSITY SYSTEM OF GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

Note 1 Summary of Significant Accounting Policies

Nature of Operations

The University System of Georgia 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 and throughout the country.

Reporting Entity

The University System of Georgia, an organizational unit of the State of Georgia, is comprised of thirty-five (35) State-supported member institutions of higher education in Georgia, the Skidaway Institute of Oceanography and the University System Office. The University System Office also is the custodian of the Board of Regents Retiree Health Benefit Fund.

The Board of Regents has constitutional authority to govern, control and manage the University System of Georgia. This authority includes, but is not limited to, the power to designate management, the ability to significantly influence operations, the authority to control institutions' budgets, the power to determine allotments of State funds to member institutions and the authority to prescribe accounting systems and administrative policies for member institutions. The University System of Georgia does not have authority to retain unexpended State appropriations (surplus) for any given fiscal year. Accordingly, all 35 institutions, the Skidaway Institute of Oceanography and the University System Office are considered organizational units of the Board of Regents of the University System of Georgia reporting entity for financial reporting purposes because of the significance of its legal, operational, and financial relationships with the Board of Regents as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

Legally separate, tax-exempt organizations whose activities primarily support the University System of Georgia, which are organizational units of the State of Georgia, are considered potential component units of the State. See Note 16, Affiliated Organizations, for additional information.

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 System's assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows.

Generally Accepted Accounting Principles (GAAP) requires that the reporting of summer school revenues and expenses be between fiscal years rather than in one fiscal year. Due to the lack of materiality, institutions of the University System of Georgia will continue to report summer revenues and expenses in the year in which the predominant activity takes place.

Basis of Accounting

For financial reporting purposes, the University System of Georgia is considered a special-purpose government engaged only in business-type activities. Accordingly, the University System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting, except as noted in the preceding paragraph. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-University System transactions have been eliminated.

The University System has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University System of Georgia has elected to not apply FASB pronouncements issued after the applicable date.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the State Investment Pool and the Board of Regents Short-Term Investment Pool.

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.

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 System of Georgia accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets. The Board of Regents Legal Fund, the Board of Regents Balanced Income Fund, the Board of Regents Total Return Fund, the Board of Regents Diversified Fund, and the Georgia Extended Asset Pool are included under Investments.

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 the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable

expenditures made pursuant to the University System's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

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

Noncurrent Cash and Investments

Cash and investments that are externally restricted and cannot be used to pay current liabilities are classified as noncurrent assets in the Statement of Net Assets.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the University System'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 understand the total picture of plant additions in the University System, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) – an organization that is external to the System. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

For projects managed by GSFIC, the 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, 2011, GSFIC transferred capital additions valued at approximately \$138,885,549 to The University System of Georgia.

Deposits

Deposits represent good faith deposits from students to reserve housing assignments in institutional residence halls.

Deferred Revenues

Deferred revenues 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. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

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 Assets, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Assets. The University System of Georgia had accrued liability for compensated absences in the amount of \$180,630,884 as of July 1, 2010. The ending balance as of June 30, 2011 in accrued liability for compensated absences was \$184,875,944, which represents an increase of \$4,245,060.

Noncurrent Liabilities

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

Net Assets

The University System's net assets are classified as follows:

Invested in capital assets, net of related debt: Invested in capital assets, net represents the University System's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt. 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 net assets - nonexpendable: Nonexpendable, restricted net assets consist of endowment 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. The University System may accumulate as much of the annual net income of an institutional fund as is prudent under the standard established by Code Section 44-15-7 of Annotated Code of Georgia.

Restricted net assets - expendable: Restricted, expendable net assets include resources in which the University System is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

Expendable Restricted Net Assets at June 30, 2011 included the following:

Restricted - E&G and Other Organized Activities	\$ 150,111,469
Federal Loans	43,687,713
Institutional Loans	23,303,150
Term Endowments	2,742,133
Quasi-Endowments	35,245,466
Health Insurance Reserve	<u>27,890,341</u>
Total Restricted Expendable	<u>\$ 282,980,272</u>

Restricted net assets – expendable – Capital Projects: This represents resources for which the University System is legally or contractually obligated to spend resources for capital projects in accordance with restrictions imposed by external third parties.

Unrestricted net assets: Unrestricted net assets represent 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 System, and may be used at the discretion of the governing board to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Board of Regents of the University System of Georgia, University System Office for remittance 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.

Unrestricted Net Assets included the following items at June 30, 2011, which are quasi-restricted by management.

R & R Reserve	\$ 177,629,943
Reserve for Encumbrances	324,944,353
Reserve for Inventory	2,821,116
Other Unrestricted	<u>(964,533,328)</u>
Total Unrestricted Net Assets	<u>\$ (459,137,916)</u>

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

Income Taxes

The University System of Georgia, 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 Assets classify fiscal year activity as operating and non-operating according to the following criteria:

Operating Revenues: Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.

Non-operating Revenues: Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB No. 9, Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB No. 34, such as state appropriations and investment income.

Operating Expenses: Operating expense includes activities that have the characteristics of exchange transactions.

Non-operating Expenses: Non-operating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported at gross with a contra revenue account of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship allowances are the difference between the stated charge for goods and services provided by the University System, 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 System's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University System has recorded contra revenue for scholarship allowances.

Special Items

The only special item in fiscal year 2011 related to Valdosta State University. A portion of Converse Hall, a dormitory on the Valdosta State University Campus, was demolished during fiscal year 2011 to make room for a new building. The portion of the building being demolished was of such magnitude that the decision was made to delete a portion of the asset. This deletion resulted in a loss of \$1,065,449.

Restatement of Prior Year Net Assets

The following institutions had restatements of prior year balances in FY2011:

Institution	Effect on Beginning Net Assets
Georgia Institute of Technology	\$ 33,477
Georgia State University	(2,307,867)
Georgia Southern University	2,357,819
Albany State University	827,495
Georgia College and State University	1,733,749
Georgia Southwestern State University	561,743
University of West Georgia	1,858,316
Abraham Baldwin Agricultural College	4,391,660
Macon State College	186,175
Total	<u>\$ 9,642,567</u>

Georgia Institute of Technology had a restatement of prior year net assets, increasing the prior year net assets by \$33,477. This was due to inconsistencies noted on the Compensated Absences Report, including: (a) bi-weekly employees who accrued more than the maximum number of vacation hours for the year; (b) retired employees, terminated employees, employees on leave and employees who changed benefit eligibility who had current year activity but were not included on the report; and (c) incorrect hourly rates used to calculate leave balances on the report. The Institute thoroughly reviewed the criteria used to create the Compensated Balances Report, created a modified report with more accurate data and updated the financial statements accordingly.

Georgia State University had a restatement of prior year net assets, decreasing net assets by \$2,307,867. This was due to adjusting capital assets for prior year omissions and overstatements, netting to an increase of \$15,432,144 (Building and Building Improvements increased \$15,975,060; Facilities and Other Improvements decreased \$209,921, and Accumulated Depreciation for Buildings and Other Improvements increased \$332,995). In addition, there was an increase to the offsetting lease liability by \$17,964,110 and a related expense understatement of \$224,099 (Supplies and Other Services). These prior year errors were discovered in fiscal year 2011 and the University updated their financial statements accordingly. The University has implemented controls and procedures with related parties to reduce this risk in the future.

Georgia Southern University had a restatement of prior year net assets, increasing net assets by \$2,357,819. This restatement was required to remove invalid accumulated depreciation balances as noted in the 2010 audit engagement due to a system error in the asset management module.

Albany State University had a restatement of prior year net assets, increasing net assets by \$827,495. This restatement was related to a revaluation of accumulated depreciation for a capital lease. The University updated its financial statements accordingly and has implemented procedures to avoid misstatements in the future.

Georgia College and State University had a restatement of prior year net assets, increasing net assets by \$1,733,749. This restatement was related to recording summer revenues and expenses in the incorrect fiscal period. The University made appropriate adjustments to its financial statements and has implemented procedures to ensure recording of summer financial activity in the correct fiscal year.

Georgia Southwestern State University had a restatement of prior year net assets, increasing net assets by \$561,743. This was related to the addition of Construction in Progress capital assets that met the capitalization threshold. The University updated its financial statements accordingly.

University of West Georgia had a restatement of prior year net assets, increasing net assets by \$1,858,316. This was due to recording the entire amount of summer tuition and fees as deferred revenue and the related salaries and benefits as a prepaid item in the prior year's report. The University updated its financial statements in accordance with generally accepted accounting principles.

Abraham Baldwin Agricultural College had a restatement of prior year net assets, increasing beginning net assets by \$4,391,660. On July 1, 2010, the College acquired the assets and operations of the Georgia Museum of Agriculture. Due to this merger, the College's capital assets were increased by \$5,786,678, of which \$5,477,455 was reporting in fiscal year 2010 and \$309,233 were adjustments made when the assets were added; net assets were increased by \$26,101. The College also corrected some prior year accumulated depreciation errors for capital leases, which resulted in a net asset decrease of \$1,421,119. The College updated its financial statements accordingly.

Macon State College had a restatement of prior year net assets, increasing beginning net assets by \$186,175. This was due to a \$345,519 reclassification of prepaid assets, a \$487,502 reduction in the compensated absences liability, a \$1,187,683 reduction in construction in progress, and an adjustment in reporting of summer school revenues and expenses of \$1,231,875. The College updated its financial statements appropriately, in accordance with generally accepted accounting principles.

Note 2 Deposits and Investments

A. Deposits

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

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

The Treasurer of the Board of Regents is responsible for all details relative to furnishing the required depository protection for all units of the University System of Georgia.

At June 30, 2011, the carrying value of deposits was \$464,577,013 and the bank balance was \$546,963,835. Of the University System's deposits, \$480,546,854 was uninsured. Of these uninsured deposits, \$480,459,531 were collateralized with securities held by the financial institution's trust department or agent in the University System's name, and \$87,323 were collateralized with securities held by the financial institution, by its trust department or agency, but not in the University System's name.

B. Investments

The University System of Georgia 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 each institution has to the citizens of Georgia and which conforms to Board of Regents investment policy. All investments are consistent with donor intent, Board of Regents policy, and applicable federal and state laws.

The University System's investments as of June 30, 2011 are presented below. All investments are presented by investment type and debt securities are presented by maturity.

Investment type	Fair Value	Investment Maturity			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Debt Securities					
U.S. Treasuries	\$ 27,485,745	\$ 7,034,625	\$ 9,347,709	\$ 9,937,348	\$ 1,166,063
U.S. Agencies - Explicitly Guaranteed	36,195,264	387		27,787,299	8,407,578
U.S. Agencies - Implicitly Guaranteed	305,199,173	13,778,607	31,858,396	19,413,539	240,148,631
Corporate Bonds	5,076,941	141,763		1,686,506	3,248,672
Corporate Debt	7,712,772	127,939	3,138,678	3,154,145	1,292,010
General Obligation Bonds	1,065,699		135,109	583,817	346,773
Municipal Obligation	5,000	5,000			
Mutual Bond Fund	54,440,278	5,068	29,023	1,401,950	53,004,237
Other Debt Securities	16,902,856		8,987,603		7,915,253
Repurchase Agreements	35,877,029	35,877,029			
	<u>\$ 489,960,757</u>	<u>\$ 56,970,418</u>	<u>\$ 53,496,518</u>	<u>\$ 63,964,604</u>	<u>\$ 315,529,217</u>
Other Investments					
Bond/Equity Mutual Funds	567,156				
Bond Mutual Funds	15,036,990				
Bond Mutual Funds - International	25,291				
Equity Mutual Funds	38,497,770				
Equity Securities - Domestic	10,919,532				
Equity Securities - International	2,383,668				
Real Estate Held for Investment Purposes	5,733,942				
Real Estate Investment Fund	5,455,004				
Cash Surrender Value	9,887				
Money Market	3,244				
Investment Pools					
Office of the State Treasurer					
Georgia Fund 1	208,431,697				
Georgia Extended Asset Pool	6,782,219				
	<u>\$ 783,807,157</u>				

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This investment is valued at the pool's share price, \$1.00 per share. The Georgia Fund 1 Investment Pool is an AAAM rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 59 days at June 30, 2011.

The Georgia Extended Asset Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company. Net Asset Value (NAV) is calculated daily to determine current share price, which was \$2.00 at June 30, 2011. The Georgia Extended Asset Pool is an AAA rated investment pool by Standard and Poor's. The Effective Duration of the Fund for the month of June, 2011 is 0.63 years.

The University System Office serves as fiscal agent for various units of the University System of Georgia and cooperative organizations. The University System Office pools the monies of these organizations with the University System Office's monies for investment purposes. The

University System Office cannot allocate pool investments between the internal (University System) and external (cooperative organizations) investment pool portions. The investment pool is not registered with the SEC 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 investment at fair value along with a pro rata share of the interest that it earns.

The University System Office 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 Regents' Investment Pool funds are described below. Investment fund balances within the University System have been eliminated in this report, with the underlying investment instruments of the pools reported instead.

Short Term Fund

The Short Term fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. The investment maturities of the fund will range between daily and two years.

Legal Fund

The Legal fund provides an opportunity for greater income and modest principal growth to the extent possible with the securities allowed under Georgia Code 50-17-59 and 50-17-63. The average maturity of 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 should be one of treasury and agency quality, possessing virtually no degree of financial risk.

Balanced Income Fund

The Balanced Income fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This fund is comprised of fixed income, equity and cash equivalent instruments.

The equity allocation range shall be between 30% and 40%, with a target of 35% of the total portfolio. The fixed income (bond) portion of the portfolio shall be between 60% and 70%, with a target of 65% of the total portfolio. Reserves for contingencies and stock and bond purchases are expected to comprise the balance of the fund. Reserves and excess income should be invested at all times in practical amounts. Reserves can be invested in high quality institutional money market mutual funds or other high quality, short term instruments.

Total Return Fund

The Total Return 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 the greatest percentage of overall equity exposure, with well over half of the funds typically invested in equities.

The equity allocation range shall be between 60% and 70%, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall be between 30% and 40%, with a target of 35% of the total portfolio. Reserves for contingencies and stock and bond purchases are expected to comprise the balance of the fund. Reserves and excess income should be invested at all times in practical amounts. Reserves can be invested in high quality institutional money market mutual funds or other high quality, short term instruments.

Diversified Fund

The Diversified fund is designed to gain further diversification and increase exposures to assets that have lower correlation to equity and bond markets by utilizing alternative asset classes. In addition, this fund is constructed to build an optimal portfolio where return is increased and risk is reduced.

The equity allocation range shall be between 50% and 75% of the portfolio. The fixed income (bond) portion of the portfolio shall be between 20% and 40%. The portfolio may also consist of Hedge Funds, Real Estate and Venture Capital/Private Equity/Post Venture Capital.

Hedge Funds – The investment approach to this asset class is to use a multi-strategy, multi-manager fund of hedge funds. The Board of Regents believes that a fund of fund strategy will provide the best access to a highly diversified pool of hedge fund strategies and managers.

Real Estate – The Board of Regents' approach to investing in this asset class is to use real estate investment trusts (REITs). REITs are more liquid than owning commercial real estate and diversification can be achieved by purchasing a mutual fund.

Venture Capital/Private Equity/Post Venture Capital – This asset class is the riskiest and most volatile permitted investment opportunity. This asset should be considered as an additional diversification investment strategy due to the low correlation with stock and bonds.

Reserves for contingencies and stock and bond purchases are expected to comprise the balance of the fund. Reserves and excess income should be invested at all times in practical amounts. Reserves can be invested in high quality, institutional money market mutual funds or other high quality, short term instruments.

Condensed financial information for the investment pool is as follows:

Assets		Additions	
Investments	\$ 331,263,633	Pool Participant Deposits	\$ 101,215,266
Accrued Interest	709,287	Investment Income	8,346,875
		Fair Value Decreases	10,938,255
Net Assets	<u>\$ 331,972,920</u>	Less: Investment Expense	<u>(517,600)</u>
Distribution of Net Assets		Total Additions	\$ 119,982,796
External Participant Account Balance	\$ 16,864,089		
Internal Participant Account Balance	<u>315,108,831</u>		
Total Distribution	<u>\$ 331,972,920</u>		
		Deductions	
		Pool Participant Withdrawals	<u>\$ (37,124,889)</u>
		Net Increase (Decrease)	\$ 82,857,907
		Net Assets	
		July 1, 2010	<u>249,115,013</u>
		June 30, 2011	<u>\$ 331,972,920</u>

Investment Risks:

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Board of Regents policy for managing interest rate risk is contained in the investment policy guidelines for the various pooled funds:

1. In the Short Term fund, the average maturity of the fixed income portfolio shall not exceed three years.
2. In all the other pooled funds, the average maturity of the fixed income portfolio shall not exceed ten years.
3. Fixed income investments, except in the Diversified Fund, shall be limited to US government agency and corporate debt instruments that meet investment eligibility under Georgia Code 50-17-63.
4. The fixed income target allocation is defined in the investment policy guidelines for each pooled investment fund. These targets may be modified upon recommendation of the fund's investment manager and approval by the Board of Regents.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the University System of Georgia will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University System of Georgia's policy for managing custodial credit risk for investments is:

1. The University System has appointed a federally regulated banking institution as custodian. The custodian performs its duties to the standards of a professional custodian and is liable to the University System of Georgia for claims, losses, liabilities and expenses arising from its failure to exercise ordinary care, its willful misconduct, or its failure to otherwise act in accordance with the contract.
2. All securities transactions are to be settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.
3. Repurchase agreements are to be collateralized by United States Treasury securities at 102% of the market value of the investment at all times.

At June 30, 2011, \$540,493,612 of the University System of Georgia's applicable investments were uninsured and held by the investment's counterparty in the University System's name, and \$4,055,590 were uninsured and held by the investment's counterparty's trust department or agent, but not in the University System's name.

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 System of Georgia's policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds:

1. In all pooled funds except the Diversified Fund, all debt issues must be eligible investments under Georgia Code 50-17-63. Portfolios of debt security funds also must meet the eligible investment criteria under the same code section.
2. The Diversified Fund is permitted to invest in non-investment grade debt issues up to a limit of 15% of the entire portfolio.
3. The portfolio shall be well diversified as to issuer and maturity.

The University System investments subject to credit quality risk follow:

	Fair Value	AAA	AA	A	BAA	BB	BBB	Unrated
Related Debt Investments								
U. S. Agencies	\$341,394,437	\$7,140,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$334,253,522
Corporate Bonds	5,076,941	6,644	1,050,234	2,052,954	1,886,126			80,983
Corporate Debt	7,712,772	6,644	1,560,251	3,737,162			402,073	2,006,642
General Obligation Bonds	1,065,699	1,065,699						
Municipal Obligation	5,000	5,000						
Mutual Bond Fund	54,440,278	21,582	1,210	17,551		1,066		54,398,869
Repurchase Agreements	35,877,029							35,877,029
U.S. Treasuries	27,485,745	6,770,070						20,715,675
Other Debt Securities	16,902,856			14,788,959			2,113,897	
	<u>\$489,960,757</u>	<u>\$15,016,554</u>	<u>\$2,611,695</u>	<u>\$20,596,626</u>	<u>\$1,886,126</u>	<u>\$1,066</u>	<u>\$2,515,970</u>	<u>\$447,332,720</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Investment	Amount	% of Total
Federal National Mortgage Association	\$ 210,071,343	26.8%
Federal Home Loan Mortgage Corporation	92,534,958	11.8%

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University System's policy for managing exposure to foreign currency credit risk is:

1. The Diversified Fund is the only pooled investment fund authorized to hold foreign investments. The current approved asset allocation target for international equity is 0 – 10% and for global fixed income is 0 – 10%.
2. The Diversified Fund is subject to exchange rate risk on these investments, which does ultimately impact performance.
3. The market value of all international investments is reported in United States Dollars.
4. Direct currency hedging is not permissible under the current investment policy guidelines.

At June 30, 2011, \$2,408,959, or less than 0.31% of total investments, was invested in international equity mutual funds.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2011:

Student Tuition and Fees	\$ 42,583,689
Auxiliary Enterprises and Other Operating Activities	22,239,412
Federal Financial Assistance	122,308,547
Georgia State Financing and Investment Commission	30,660,702
Due from Component Units	132,961,417
Other	126,919,568
	<hr/> 477,673,335
Less: Allowance for Doubtful Accounts	18,076,063
Net Accounts Receivable	<hr/> <u>\$ 459,597,272</u>

Note 4 Inventories

Inventories consisted of the following at June 30, 2011:

Bookstore	\$ 15,263,154
Food Services	2,163,793
Physical Plant	1,891,196
Other	<u>3,532,968</u>
Total	<u>\$ 22,851,111</u>

Note 5 Notes/Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2011. 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 System for amounts cancelled under these provisions. As the University System 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 System 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, 2011, the allowance for uncollectible loans was \$3,049,128.

Note 6 Capital Assets

Changes in capital assets for the year ended June 30, 2011 are shown below:

	Restated Beginning Balance June 30, 2010	Additions	Reductions	Ending Balance June 30, 2011
Capital Assets, Not Being Depreciated:				
Land	\$ 244,521,564	\$ 66,935,005	\$ 37,153	\$ 311,419,416
Capitalized Collections	40,047,382	499,147	(2,085)	40,548,614
Construction Work-in-Progress	222,284,254	166,987,282	170,911,062	218,360,474
Total Capital Assets Not Being Depreciated	506,853,200	234,421,434	170,946,130	570,328,504
Capital Assets, Being Depreciated:				
Infrastructure	249,087,232	9,397,026	201,828	258,282,430
Building and Building Improvements	6,243,312,127	536,573,136	10,226,932	6,769,658,331
Facilities and Other Improvements	287,065,271	31,837,834	4,070,449	314,832,656
Equipment	1,186,861,801	115,517,530	43,774,809	1,258,604,522
Capital Leases	1,659,855,892	474,331,502	3,457,535	2,130,729,859
Library Collections	721,491,335	35,664,378	9,529,242	747,626,471
Capitalized Collections	7,201,796	99,350	17,516	7,283,630
Software	15,526,211	-	-	15,526,211
Total Assets Being Depreciated	10,370,401,665	1,203,420,756	71,278,311	11,502,544,110
Less: Accumulated Depreciation				
Infrastructure	74,347,370	8,044,900	352,408	82,039,862
Buildings	1,796,116,293	156,575,700	5,245,781	1,947,446,212
Facilities and Other improvements	101,639,784	9,173,049	1,120,828	109,692,005
Equipment	822,195,620	97,394,476	43,596,773	875,993,323
Capital Leases	194,461,724	71,716,627	2,345,295	263,833,056
Library Collections	553,603,674	32,903,314	9,430,629	577,076,359
Capitalized Collections	595,114	137,121	4,059	728,176
Software	7,131,522	1,170,918	-	8,302,440
Total Accumulated Depreciation	3,550,091,101	377,116,105	62,095,773	3,865,111,433
Total Capital Assets, Being Depreciated, Net	6,820,310,564	826,304,651	9,182,538	7,637,432,677
Capital Assets, net	\$ 7,327,163,764	\$ 1,060,726,085	\$ 180,128,668	\$ 8,207,761,181

Note 7 Deferred Revenue

Deferred revenue consisted of the following at June 30, 2011:

Prepaid Tuition and Fees	\$ 178,667,657
Research	51,617,635
Other Deferred Revenue	56,229,899
Total	\$ 286,515,191

Note 8 Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Restated Beginning Balance June 30, 2010	Additions	Reductions	Ending Balance June 30, 2011	Current Portion
Leases					
Lease Obligations	\$ 2,665,062,401	\$ 575,209,604	\$ 70,842,040	\$ 3,169,429,965	\$ 58,923,725
Other Liabilities					
Compensated Absences	180,630,884	125,650,348	121,405,288	184,875,944	109,476,058
Net OPEB Obligation	699,938,000	317,461,000	-	1,017,399,000	-
US DOE Settlement (Ft Valley)	301,372	-	239,585	61,787	61,787
Notes & Loans	15,265	-	15,265	-	-
Other Liabilities	962,513	96,838	133,720	925,631	119,154
Total	<u>881,848,034</u>	<u>443,208,186</u>	<u>121,793,858</u>	<u>1,203,262,362</u>	<u>109,656,999</u>
Total Long-Term Obligations	<u>\$ 3,546,910,435</u>	<u>\$ 1,018,417,790</u>	<u>\$ 192,635,898</u>	<u>\$ 4,372,692,327</u>	<u>\$ 168,580,724</u>

Note 9 Significant Commitments

The University System of Georgia had significant unearned, outstanding construction or renovation contracts executed in the amount of \$131,478,329 as of June 30, 2011.

In addition, certain institutions executed rental agreements for student housing and other facilities during fiscal year 2011, however, these agreements will not commence until fiscal 2012 or later. The rental agreements are long term in nature, with annually renewable lease terms. The projects and the present values of the minimum lease payments over the life of the rental agreements can be seen on the following page.

Institution	Commitment Amount	Project
Albany State University	\$18,535,000	Student Housing
Albany State University	26,985,000	Student Housing
College of Coastal Georgia	13,365,000	Campus Center
Georgia College & State University	31,400,000	Student Wellness and Recreation Center
Georgia Institute of Technology	8,690,000	Dining Hall
Georgia Institute of Technology	4,765,000	VLP1/GATV
Georgia Institute of Technology	5,400,000	Academy of Medicine Event Center
Georgia Institute of Technology	13,815,000	Carbon-Neutral Energy Solutions Laboratory
Georgia Southern University	42,770,000	Student Housing
Kennesaw State University	30,215,000	Student Housing
North Georgia College & State University	23,325,000	Dining Hall
North Georgia College & State University	11,085,000	Student Housing
North Georgia College & State University	8,780,000	Student Housing
North Georgia College & State University	10,565,000	Bookstore
Savannah State University	12,304,500	Student Center
Savannah State University	6,625,500	Stadium
Savannah State University	5,385,000	Student Housing
Savannah State University	7,150,000	Student Housing
Savannah State University	4,205,000	Student Housing
South Georgia College	5,945,000	Dining Hall
	<u>\$291,310,000</u>	

These amounts above are not reflected in the accompanying basic financial statements.

Note 10 Lease Obligations

The University System of Georgia is obligated under various operating leases for the use of real property (land, buildings, and office facilities) and equipment, and also is obligated under capital leases and installment purchase agreements for the acquisition of real property.

Capital Leases

The University System of Georgia is obligated under approximately \$3.17 billion in capital lease liability as of June 30, 2011. Capital leases are generally payable in installments ranging from monthly to annually and have terms expiring in various years between fiscal 2012 and 2046. Expenditures for fiscal year 2011 were \$231,547,309, of which \$147,052,543 represented interest. Total principal reductions on capital leases were \$69,777,888 for the fiscal year ended June 30, 2011. Interest rates range from 1.64 percent to 28.36 percent.

The following is a summary of the carrying values of assets held under capital lease at June 30, 2011:

Land	\$	49,777,279
Infrastructure		50,898,342
Buildings		3,456,559,623
Facilities		33,258,296
Equipment		72,983,822
Subtotal		<u>3,663,477,362</u>
Less: Accumulated Depreciation		<u>(411,846,253)</u>
Total Assets Held Under Capital Lease	\$	<u>3,251,631,109</u>

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

Capital lease additions during fiscal 2011 are summarized below:

Institution	Project	Amount	Interest Rate	Lease Expiration
Armstrong Atlantic State University	Winward Commons	\$ 34,906,798	3.500%	2039
Bainbridge College	Student Wellness Center	20,448,550	5.540%	2042
Clayton State College	Clayton Commons	30,140,118	4.790%	2042
College of Coastal Georgia	Lakeside Village Residence Hall	15,359,771	4.763%	2040
Columbus State University	Student Recreation Center	32,124,727	5.535%	2039
Darton State College	Darton Commons I	10,697,505	5.779%	2041
Darton State College	Darton College Student Center	21,179,284	6.137%	2041
Fort Valley State University	Student Center/Stadium	19,451,021	6.139%	2040
Georgia Gwinnett College	Student Housing	102,890,000	4.813%	2040
Georgia Gwinnett College	Student Center	32,680,000	4.313%	2040
Kennesaw State University	Multi-purpose Building	945,631	5.260%	2036
Kennesaw State University	Sports/Recreation Complex	61,958,493	5.500%	2040
Macon State College	Residence Hall	11,714,593	6.060%	2040
North Georgia College & State Univ.	Cadet Housing	15,252,793	5.160%	2040
North Georgia College & State Univ.	Residence Hall	24,815,545	5.160%	2040
North Georgia College & State Univ.	Parking Deck	17,356,988	5.160%	2040
South Georgia College	Residence Hall	14,410,000	5.102%	2042
Southern Polytechnic State University	Student Housing/Dining Hall	43,888,238	5.558%	2039
University of Georgia	East Campus Housing Phase II	49,948,870	5.732%	2040
University of West Georgia	Bookstore	6,144,038	4.763%	2041
		<u>\$ 566,312,963</u>		

Operating Leases

The University System of Georgia's non-cancellable operating leases having remaining terms of more than one year expire in various fiscal years from 2012 through 2041. Certain operating leases provide for renewal options for periods from one to three years at their fair rental value at the time of renewal. All agreements are cancellable if the State of Georgia does not provide adequate funding, but that is considered a remote possibility. In the normal course of business, operating leases are generally renewed or replaced by other leases. Operating leases are generally payable on a monthly basis; examples of property under operating leases are real property, copiers and other small business equipment. System-wide real property and equipment operating lease expense for fiscal 2011 was \$33,751,842.

Future commitments for capital leases, which here and on the Statement of Net Assets include other installment purchase agreements, and for non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2011, are as follows:

Year Ending June 30:	Year	Capital Leases	Operating Leases
2012	1	\$ 223,071,319	\$ 31,048,673
2013	2	226,927,571	9,400,802
2014	3	230,237,456	5,520,198
2015	4	231,169,416	5,032,852
2016	5	283,823,421	7,997,478
2017 through 2021	6-10	1,194,070,504	10,965,830
2022 through 2026	11-15	1,207,615,546	9,381,246
2027 through 2031	16-20	1,153,765,468	6,866,529
2032 through 2036	21-25	853,959,608	1,033,314
2037 through 2041	26-30	382,706,394	212,090
2042 through 2046	31-35	4,964,124	-
Total minimum lease payments		5,992,310,827	<u>\$ 87,459,012</u>
Less: Interest		2,685,332,104	
Less: Executory costs (if paid)		137,548,758	
Principal Outstanding		<u>\$ 3,169,429,965</u>	

Note 11 Retirement Plans

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

Employees' Retirement System of Georgia

The ERS System is comprised of individual retirement systems and plans covering substantially all employees of the State of Georgia except for teachers and other employees covered by the Teachers Retirement System of Georgia. One of the ERS System plans, the Employees' Retirement System of Georgia (ERS), is a cost-sharing, multiple-employer defined benefit pension plan that was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. ERS acts pursuant to statutory direction and guidelines, which may be amended prospectively for new hires but for existing members and beneficiaries may be amended in some aspects only subject to potential application of certain constitutional restraints against impairment of contract.

On November 20, 1997, the Board created the Supplemental Retirement Benefit Plan (SRBP-ERS) of ERS. SRBP-ERS was established as a qualified, governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of ERS. The purpose of the SRBP-ERS is to provide retirement benefits to employees covered by ERS whose benefits are otherwise limited by IRC Section 415. Beginning January 1, 1998, all members and retired former members in ERS are eligible to participate in the SRBP-ERS whenever their benefits under ERS exceed the limitation on benefits imposed by IRC Section 415.

The benefit structure of ERS is established by the Board of Trustees under statutory guidelines. Unless the employee elects otherwise, an employee who currently maintains membership with ERS based upon State employment that started prior to July 1, 1982, is an "old plan" member subject to the plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are "new plan" members subject to the modified plan provisions. Effective January 1, 2009, newly hired State employees, as well as rehired State employees who did not maintain eligibility for the "old" or "new" plan, are members of the Georgia State Employees' Pension and Savings Plan (GSEPS). ERS members hired prior to January 1, 2009 also have the option to change their membership to the GSEPS plan.

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

Retirement benefits paid to members are based upon a formula adopted by the Board of Trustees for such purpose. The formula considers the monthly average of the member's highest 24 consecutive calendar months of salary, the number of years of creditable service, and the member's age at retirement. Post-retirement cost-of-living adjustments may be made to members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for

distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Member contribution rates are set by law. Member contributions under the old plan are 4% of annual compensation up to \$4,200 plus 6% of annual compensation in excess of \$4,200. Under the old plan, the University System of Georgia pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these University System of Georgia contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The University System of Georgia is required to contribute at a specified percentage of active member payroll established by the Board of Trustees determined annually in accordance with actuarial valuation and minimum funding standards as provided by law. These University System of Georgia contributions are not at any time refundable to the member or his/her beneficiary.

Employer contributions required for fiscal year 2011 were based on the June 30, 2007 actuarial valuation for the old and new plans and were set by the Board of Trustees on September 18, 2008 for GSEPS as follows:

Old Plan*	10.41%
New Plan	10.41%
GSEPS	6.54%

* 5.66% exclusive of contributions paid by the employer on behalf of "old plan" members.

Members become vested after ten years of service. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contributions; the member forfeits all rights to retirement benefits.

Teachers Retirement System of Georgia

The Teachers Retirement System of Georgia (TRS) is a cost-sharing, multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of active and retired members and ex-officio State employees is ultimately responsible for the administration of TRS.

On October 25, 1996, the Board created the Supplemental Retirement Benefit Plan of the Georgia Teachers Retirement System (SRBP-TRS). SRBP-TRS was established as a qualified governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC) as a portion of TRS. The purpose of SRBP-TRS is to provide retirement benefits to employees covered by TRS whose benefits are otherwise limited by IRC Section 415. Beginning July 1, 1997, all members and retired former members in TRS are eligible to participate in the SRBP-TRS whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after ten years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid, consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after ten years of service. If a member terminates with less than ten years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2011 were 5.53% of annual salary. Employer contributions required for fiscal year 2011 were 10.28% of annual salary as required by the June 30, 2009 actuarial valuation.

The following table summarizes the University System of Georgia contributions by defined benefit plan for the years ending June 30, 2011, June 30, 2010, and June 30, 2009:

Fiscal Year	ERS		TRS	
	Required Contribution	Percent Contributed	Required Contribution	Percent Contributed
2011	\$ 709,947	100%	\$ 143,479,581	100%
2010	\$ 654,124	100%	\$ 135,412,616	100%
2009	\$ 687,652	100%	\$ 128,072,380	100%

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 is administered by the Board of Regents of the University System of Georgia. 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 a principal administrator, as designated by the regulations of the Board of Regents. Under the Regents Retirement Plan, a plan participant may purchase annuity contracts from four approved vendors (AIG-VALIC, American Century, 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 University System of Georgia makes monthly employer contributions for the Regents Retirement Plan at rates adopted by the Teachers Retirement System of Georgia Board of Trustees in accordance with State statute and as advised by their independent actuary. For fiscal year 2011, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contributed 5% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University System of Georgia and the covered employees made the required contributions of \$94,523,335 (9.24%) and \$51,160,148 (5%), respectively.

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

Georgia Defined Contribution Plan

Plan Description

The University System of Georgia participates in the Georgia Defined Contribution Plan (GDCP), which is a single-employer, defined contribution plan established by the General Assembly of Georgia for the purpose of providing retirement coverage for State employees who are temporary, seasonal, and part-time and are not members of a public retirement or pension system. GDCP is administered by the Board of Trustees of the Employees' Retirement System of Georgia.

Benefits

A member may retire and elect to receive periodic payments after attainment of age 65. The payment will be based upon mortality tables and interest assumptions to be adopted by the Board of Trustees. If a member has less than \$3,500 credited to his/her account, the Board of Trustees has the option of requiring a lump sum distribution to the member in lieu of making periodic payments. Upon the death of a member, a lump sum distribution equaling the amount credited to his/her account will be paid to the member's designated beneficiary. Benefit provisions are established by State statute.

Contributions

Member contributions are seven and one-half percent (7.5%) of gross salary. There are no employer contributions. Contribution rates are established by State statute. Earnings are credited to each member's account in a manner established by the Board of Trustees. Upon termination of employment, the amount of the member's account is refundable upon request by the member.

Total contributions made by employees during fiscal year 2011 amounted to \$7,845,526, which represents 7.5% of covered payroll. These contributions met the requirements of the plan.

The Georgia Defined Contribution Plan issues a financial report each fiscal year that may be obtained from the ERS offices.

Note 12 Risk Management

The University System of Georgia offers its employees and retirees access to three different self-insured healthcare plan options. A PPO/PPO Consumer healthcare plan was offered for the entire reporting period, and effective 01/01/2011, a HSA/High Deductible PPO and a HMO are also offered on a self-insured basis. The HSA/High Deductible PPO and HMO were previously insured through Blue Cross Blue Shield of Georgia. The University System of Georgia and participating employees and retirees pay premiums to either of the self-insured healthcare plan options to access benefits coverage. The respective self-insured healthcare plan options are included in the financial statements of the Board of Regents of the University System of Georgia – University System Office. All units of the University System of Georgia share the risk of loss for claims associated with these plans. The reserves for these plans are considered to be a self-sustaining risk fund. The Board of Regents has contracted with Blue Cross Blue Shield of Georgia, a wholly owned subsidiary of WellPoint, to serve as the claims administrator for the self-insured healthcare plan products. In addition to the self-insured healthcare plan options offered to the employees of the University System of Georgia, a fully insured HMO healthcare plan option is also offered to System employees through Kaiser.

The prescription drug plan is administered through Medco Health Solutions. 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 Medco Health Solutions for verification, processing and payment. Medco Health Solutions maintains an eligibility file based on information furnished by Blue Cross – Blue Shield on behalf of the various organizational units of the University System of Georgia.

A reconciliation of total estimated claims liabilities for employees and retirees for the fiscal years ended June 30, 2011 and June 30, 2010 is provided below:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Employees:		
Unpaid Claims and Claim Adjustments (Prior Year IBNR)	\$ 15,654,000	\$ 21,827,567
Incurring Claims and Claim Adjustments Expenses -		
Provisions for Insured Events of the Current Year	239,141,227	181,684,842
Payments - Claims and Claim Adjustments Attributable		
To Insured Events of the Current Year and Prior Years	<u>231,506,052</u>	<u>187,858,409</u>
Unpaid Claims and Claim Adjustments (Current Year IBNR)	<u>\$ 23,289,175</u>	<u>\$ 15,654,000</u>
Retirees:		
Unpaid Claims and Claim Adjustments (Prior Year IBNR)	\$ 6,756,000	\$ 6,626,917
Incurring Claims and Claim Adjustments Expenses -		
Provisions for Insured Events of the Current Year	103,337,394	93,786,415
Payments - Claims and Claim Adjustments Attributable		
To Insured Events of the Current Year and Prior Years	<u>102,553,611</u>	<u>93,657,332</u>
Unpaid Claims and Claim Adjustments (Current Year IBNR)	<u>\$ 7,539,783</u>	<u>\$ 6,756,000</u>

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

A self-insured program of professional liability for its employees was established by the Board of Regents of the University System of Georgia under powers authorized by the Official Code of Georgia Annotated Section 45-9-1. The program insures the employees to the extent that they are not immune from liability against personal liability for damages arising out of the performance of their duties or in any way connected therewith. The program is administered by DOAS as a Self-Insurance Fund.

As of June 30, 2011, four University System of Georgia institutions had projects or events that met one of the five obligating events related to recognition of pollution remediation.

The University of Georgia is responsible for pollution remediation at the Milledge Avenue landfill site. The University of Georgia has recorded a liability and expense related to this

pollution remediation in the amount of \$925,631. The liability was determined using a 5-year budget estimate provided by environmental engineers and consultants. The University of Georgia does not anticipate any significant changes to the expected remediation outlay. There are no expected recoveries that have reduced the liability. Pollution remediation liability activity in fiscal 2011 was as follows:

Beginning Balance July 1, 2010	Additions	Reductions	June 30, 2011	Current Portion
\$ 962,513	\$ 96,838	\$ 133,720	\$ 925,631	\$ 119,154

Augusta State University has been notified as a potential responsible party for pollution remediation related to a Superfund Site located in North Carolina. Other alleged customers of the facility, covering 30-plus years, also have been identified as potential responsible parties. To date, Augusta State University has not been named in any legal action pursuant to this case. As of June 30, 2011, Augusta State University cannot reasonably estimate a liability for this pollution remediation obligation.

Georgia Health Sciences University has no liability for pollution remediation at June 30, 2011. The University does not anticipate any significant remediation outlay in fiscal year 2012. Pollution remediation liability activity in fiscal year 2011 was as follows:

Beginning Balance July 1, 2010	Additions	Reductions	June 30, 2011	Current Portion
\$ 763	\$ 19,562	\$ 20,325	\$ -	\$ -

Georgia Institute of Technology is responsible for pollution remediation, including asbestos abatement, for all Institute facilities. Asbestos abatement is performed during renovation/construction projects when deemed necessary by Institute management. As of June 30, 2011, the Institute recorded a liability and expense in the amount of \$195,387 for asbestos abatement projects in various Institute structures. The liability was determined using the Expected Cash Flow Measurement Technique, which measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts. The Institute does not anticipate any significant changes to the expected remediation outlay. There are no expected recoveries that have reduced the liability.

Beginning Balance July 1, 2010	Additions	Reductions	June 30, 2011	Current Portion
\$ 298,617	\$ 195,387	\$ 298,617	\$ 195,387	\$ 195,387

Note 13 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 expenditures that are disallowed under grant terms. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time, although the University System of Georgia expects such amounts, if any, to be immaterial to its overall financial position.

Litigation, claims and assessments filed against the University System of Georgia, if any, generally are 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, 2011.

Note 14 Post-Employment Benefits Other Than Pension Benefits

Plan Description

The Board of Regents Retiree Health Benefit Fund (the "Plan") is a single-employer, defined benefit, healthcare plan administered by the University System Office. The plan was authorized pursuant to Official Code of Georgia Annotated Section 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

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

The Board of Regents of the University System of Georgia issues a publicly available financial report that includes financial statements and required supplementary information for the Plan within its Consolidated Annual Financial Report. This report may be obtained at the following website address: http://www.usg.edu/fiscal_affairs/reporting/annual_fin_rep/

Membership of the plan consisted of the following at June 30, 2011:

Retirees and beneficiaries receiving benefits	18,840
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>41,779</u>
Total	<u><u>60,619</u></u>

Summary of Significant Accounting Policies

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy

The contribution requirements of plan members and the University System of Georgia, as employer, are established and may be amended by the Board of Regents. 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.

Organizational units of the Board of Regents of the University System of Georgia pay 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 of Regents for the upcoming plan year. For the 2011 plan year, the employer rate was approximately 70% of the total health insurance cost for eligible retirees and the retiree rate was approximately 30%. With regard to life insurance, the employer covers the total cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2011, the University System of Georgia contributed \$80,261,907 to the plan, for current premiums or claims. Plan members receiving benefits contributed \$25,770,842 for current premiums or claims.

Annual OPEB Cost and Net OPEB Obligation

The University System of Georgia’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the University System’s annual OPEB cost for fiscal year 2011, the amount actually contributed to the plan, and changes in the University System’s net OPEB obligation to the Retiree Health Benefit Fund (dollar amounts in millions):

Annual required contribution	\$ 411.5
Interest on net OPEB obligation	31.5
Adjustment to annual required contribution	(45.3)
Annual OPEB cost (expense)	397.7
Less: Contributions made	(80.2)
Increase in net OPEB obligation	317.5
Net OPEB obligation - beginning of year	699.9
Net OPEB obligation - end of year	<u>\$ 1,017.4</u>

The University System's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the Retiree Health Benefit Plan for the current and past two fiscal years were as follows (dollar amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 346.9	25.7%	\$ 395.5
2010	\$ 374.3	18.7%	\$ 699.9
2011	\$ 397.7	20.2%	\$ 1,017.4

Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2008	\$ 290,000	\$ 3,258,200,000	\$ 3,257,910,000	0.0%	\$ 2,372,385,000	137.3%
7/1/2009	\$ 10,566,000	\$ 3,129,508,000	\$ 3,118,942,000	0.3%	\$ 2,399,532,000	130.0%
7/1/2010	\$ 122,538	\$ 3,384,099,942	\$ 3,383,977,404	0.0%	\$ 2,432,366,796	139.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation is as follows:

Valuation date	July 1, 2010
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar, Closed, 30-year
Asset Valuation method	Market Value of Assets
Remaining amortization period	27 years
Actuarial assumptions:	
Investment rate of return*	4.50%
Healthcare cost trend rate*	8.25%
Ultimate trend rate	4.50%
Year of ultimate trend rate	2027

*Includes an inflation assumption of 2.5%.

Please note that the Investment Rate of Return percentage can change.

Note 15 Natural Classifications with Functional Classifications

The University's operating expenses by functional classification for FY2011 are shown below:

Natural Classification	Functional Classification					
	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support
Faculty	\$ 829,569,926	\$ 285,145,850	\$ 80,088,815	\$ 36,874,377	\$ 2,186,926	\$ 4,723,665
Staff	283,231,242	268,985,804	150,335,273	197,319,061	141,310,457	249,807,257
Benefits	396,033,509	170,026,724	82,838,764	89,403,950	53,076,113	142,362,320
Personal Services	566,713	76,931	585,507	428,632	26,935	7,831,262
Travel	14,736,238	22,252,495	5,662,595	4,757,911	2,920,629	3,684,407
Scholarships and Fellowships	6,845,090	3,689,810	1,521,625	378,474	3,427,988	724,396
Utilities	5,748,603	3,001,354	2,990,948	3,005,129	2,221,546	7,588,926
Supplies and Others Services	88,813,049	190,710,533	119,430,423	79,453,229	61,640,748	343,706,413
Depreciation	63,012,857	58,395,377	5,673,353	46,918,734	14,590,446	35,671,778
Total Expenses	\$ 1,688,557,227	\$ 1,002,284,878	\$ 449,127,303	\$ 458,539,497	\$ 281,401,788	\$ 796,100,424

Natural Classification	Functional Classification				
	Plant Operations & Maintenance	Scholarships & Fellowships	Auxiliary Enterprises	Patient Care (GHSU Only)	Total Expenses
Faculty	\$ 345,456	\$ 71,136	\$ 2,099,711	\$ 1,985,599	\$ 1,243,091,461
Staff	169,210,661	110,322	146,035,959	69,085,986	1,675,432,022
Benefits	72,259,467	75,887	52,710,625	28,509,102	1,087,296,461
Personal Services	(8,684,586)	488,386	9,009,466	-	10,329,246
Travel	419,080	5,388	2,021,665	266,928	56,727,336
Scholarships and Fellowships	-	342,142,509	20,291,871	-	379,021,763
Utilities	138,146,429	-	34,126,006	325,603	197,154,544
Supplies and Others Services	157,038,263	163,949	277,262,757	94,553,144	1,412,772,508
Depreciation	60,626,451	-	92,227,109	-	377,116,105
Total Expenses	\$ 589,361,221	\$ 343,057,577	\$ 635,785,169	\$ 194,726,362	\$ 6,438,941,446

Note 16 Affiliated Organizations

Under Board of Regents policy, each individual institution may establish a separate foundation, or affiliated organization, to provide valuable assistance in fundraising, public outreach and other support for the missions of the respective campus and the University System. Although independent boards govern these foundations, their assets are dedicated for the benefit of the related institution and the University System of Georgia.

These affiliated organizations are private, non-profit organizations that report under either Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*, or Governmental Accounting Standards Board (GASB) standards, including Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37 and No. 38. For the organizations reporting under the FASB basis, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

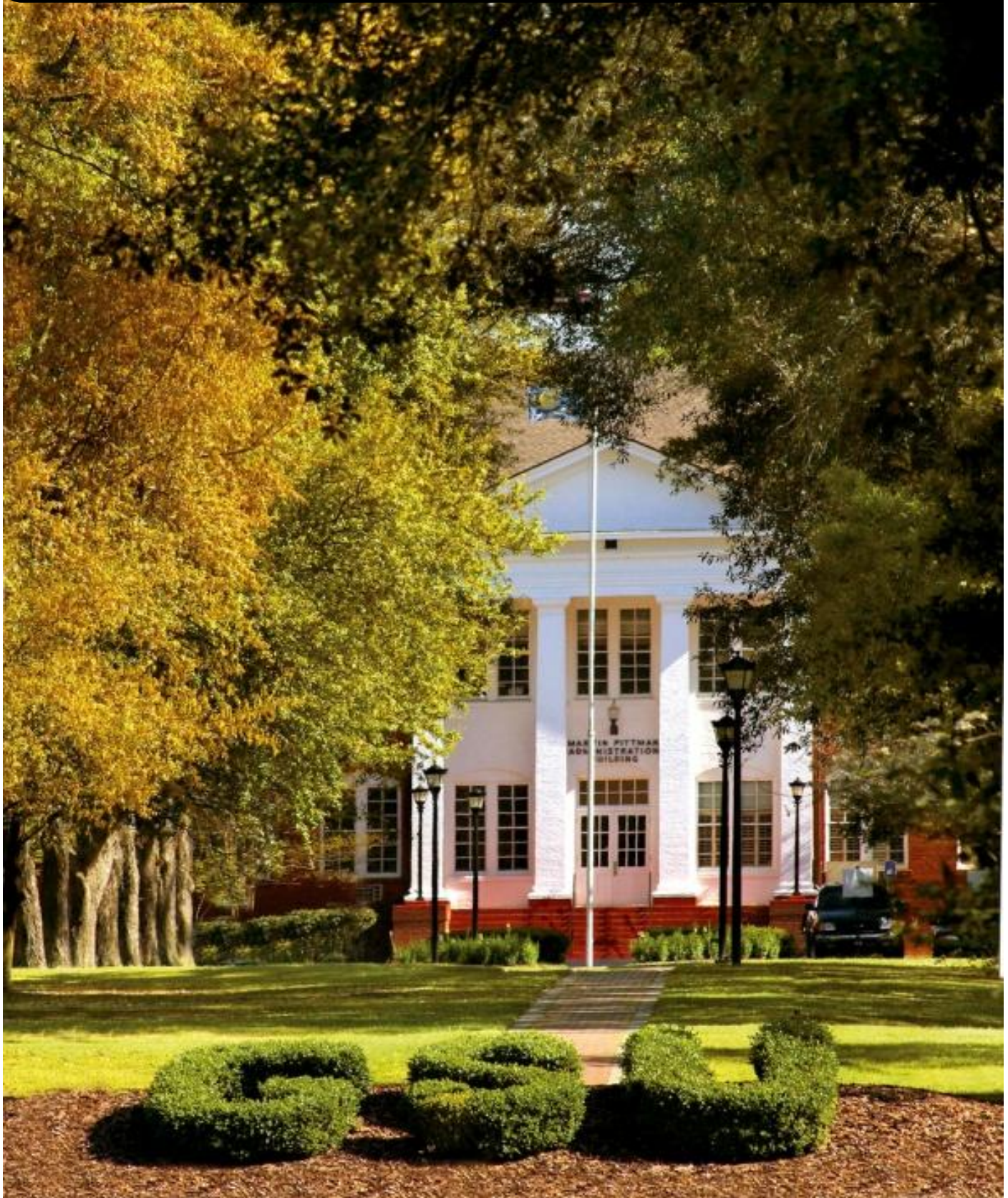
Summarized financial statements for these affiliated organizations are included in the Supplementary Information.

Information for obtaining complete financial statements for these organizations can be found within the respective institution's annual financial reports.

The following affiliated organizations were considered significant for reporting purposes to the State of Georgia and were considered component units of the State of Georgia.

Component Units of the State of Georgia	Fiscal Year Ending	Reporting Basis
Georgia Tech Foundation, Inc.	June 30, 2011	FASB
Georgia Tech Athletic Association	June 30, 2011	GASB
Georgia Tech Research Corporation	June 30, 2011	GASB
Georgia Tech Facilities, Inc.	June 30, 2011	FASB
Georgia State University Foundation, Inc.	June 30, 2011	FASB
Georgia State University Research Foundation, Inc.	June 30, 2011	GASB
MCG Health, Inc./MCG Health Systems, Inc. (Blended)	June 30, 2011	GASB
Medical College of Georgia Foundation, Inc.	June 30, 2011	FASB
Medical College of Georgia Physicians Practice Group Foundation	June 30, 2011	FASB
University of Georgia Foundation	June 30, 2011	FASB
University of Georgia Athletic Association, Inc.	June 30, 2011	GASB
University of Georgia Research Foundation, Inc.	June 30, 2011	GASB
Georgia Southern University Housing Foundation, Inc.	June 30, 2011	FASB
VSU Auxiliary Services Real Estate Foundation, Inc.	December 31, 2010	FASB
Armstrong Atlantic State University Educational Properties, Inc.	December 31, 2010	FASB
Kennesaw State University Foundation, Inc.	June 30, 2011	FASB
Georgia College and State University Foundation, Inc.	June 30, 2011	FASB
University System of Georgia Foundation, Inc.	June 30, 2011	FASB

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS



UNIVERSITY SYSTEM OF GEORGIA
CONDENSED STATEMENT OF NET ASSETS BY INSTITUTION
June 30, 2011

Institution	Assets				
	Current Assets	Noncurrent Cash/ Investments	Capital Assets	Other Assets	Total Assets
Georgia Institute of Technology	\$222,754,124	\$61,633,344	\$1,640,151,974	\$10,466,326	\$1,935,005,768
Georgia State University	180,603,942	748,613	749,917,821	5,946,446	937,216,822
Georgia Health Sciences University	91,560,500	111,381,749	298,040,506	4,079,487	505,062,242
University of Georgia	355,717,416	65,133,299	1,488,920,020	9,665,095	1,919,435,830
Georgia Southern University	66,274,832	2,619,929	437,330,236	2,661,011	508,886,008
Valdosta State University	34,315,204	12,796,453	323,574,865	26,898	370,713,420
Albany State University	17,327,115		118,266,650	368,424	135,962,189
Armstrong Atlantic State University	22,752,019	2,711,150	158,314,378	11,654	183,789,201
Augusta State University	14,458,310	454,108	103,444,147	602,194	118,958,759
Clayton State University	14,792,696	2,474,733	134,227,724	35,989	151,531,142
Columbus State University	25,738,409	2,639,733	156,471,627	1,098,074	185,947,843
Fort Valley State University	4,973,520	48,638	146,508,164	1,703,963	153,234,285
Georgia College & State University	26,986,456	5,318,782	153,419,993	2,628,030	188,353,261
Georgia Southwestern State Univ.	11,111,949	647,726	80,038,019	1,560,788	93,358,482
Kennesaw State University	83,397,849	2,025,886	344,152,709	483,115	430,059,559
North Georgia College & State Univ.	21,964,865	2,607,584	169,111,615	1,099,853	194,783,917
Savannah State University	17,623,735	4,642,349	112,431,530	836,003	135,533,617
Southern Polytechnic State Univ.	17,342,362	3,229,238	178,540,064	168,154	199,279,818
University of West Georgia	48,593,142	394,687	219,666,634	2,070,138	270,724,601
Abraham Baldwin Agricultural Coll.	8,926,319	-	80,453,616	327,420	89,707,355
College of Coastal Georgia	4,551,040	100,113	65,053,234	4,174	69,708,561
Dalton State College	5,124,033	-	34,678,154	-	39,802,187
Gainesville State College	15,169,342	-	41,744,896	-	56,914,238
Georgia Gwinnett College	13,266,232	-	218,076,047	-	231,342,279
Gordon College	14,819,616	-	74,286,602	-	89,106,218
Macon State College	14,181,698	1,296,329	84,221,174	-	99,699,201
Middle Georgia College	13,837,294	1,087,647	126,723,377	254	141,648,572
Atlanta Metropolitan College	5,716,882	-	11,747,244	-	17,464,126
Bainbridge College	10,013,446	671,536	52,685,705	-	63,370,687
Darton College	7,979,816	-	68,313,502		76,293,318
East Georgia College	5,006,559	-	23,636,191	-	28,642,750
Georgia Highlands College	5,328,733	31,245	39,656,622	-	45,016,600
Georgia Perimeter College	13,298,481	1,042,965	170,789,694	2,211	185,133,351
South Georgia College	2,329,492	150,000	40,916,626	49,273	43,445,391
Waycross College	1,792,478	282,198	9,427,320	-	11,501,996
Skidaway Institute of Oceanography	873,652	-	10,647,512	-	11,521,164
University System Office	394,853,819	8,534,953	42,174,989	1,938,527	447,502,288
Elimination/Consolidation Entries	(214,618,483)	(93,811,979)		(2,688,527)	(311,118,989)
Total	\$1,600,738,894	\$200,893,008	\$8,207,761,181	\$45,144,974	\$10,054,538,057

UNIVERSITY SYSTEM OF GEORGIA
CONDENSED STATEMENT OF NET ASSETS BY INSTITUTION
June 30, 2011

	Liabilities		
Institution	Current Liabilities	Noncurrent Liabilities	Total Liabilities
Georgia Institute of Technology	\$143,100,803	\$513,375,223	\$656,476,026
Georgia State University	92,642,981	313,420,634	406,063,615
Georgia Health Sciences University	124,777,121	40,744,042	165,521,163
University of Georgia	137,907,211	294,021,487	431,928,698
Georgia Southern University	25,578,898	172,432,419	198,011,317
Valdosta State University	13,682,895	216,321,251	230,004,146
Albany State University	4,106,919	33,887,062	37,993,981
Armstrong Atlantic State University	12,049,562	103,318,147	115,367,709
Augusta State University	8,271,929	31,448,353	39,720,282
Clayton State University	6,862,335	76,350,974	83,213,309
Columbus State University	14,965,082	89,547,160	104,512,242
Fort Valley State University	5,258,094	83,731,557	88,989,651
Georgia College & State University	12,009,993	108,516,771	120,526,764
Georgia Southwestern State Univ.	6,246,724	39,242,892	45,489,616
Kennesaw State University	42,533,352	174,767,473	217,300,825
North Georgia College & State Univ.	11,777,097	100,190,164	111,967,261
Savannah State University	5,142,478	53,908,018	59,050,496
Southern Polytechnic State Univ.	11,824,815	89,505,680	101,330,495
University of West Georgia	14,775,926	116,171,687	130,947,613
Abraham Baldwin Agricultural Coll.	4,094,846	47,411,998	51,506,844
College of Coastal Georgia	2,719,147	15,647,814	18,366,961
Dalton State College	2,390,913	7,479,050	9,869,963
Gainesville State College	4,502,278	12,647,761	17,150,039
Georgia Gwinnett College	5,449,698	171,361,198	176,810,896
Gordon College	3,871,293	33,152,317	37,023,610
Macon State College	5,902,398	12,063,474	17,965,872
Middle Georgia College	3,002,079	63,071,141	66,073,220
Atlanta Metropolitan College	1,345,732	470,282	1,816,014
Bainbridge College	4,261,261	20,901,192	25,162,453
Darton College	4,499,018	32,840,691	37,339,709
East Georgia College	2,970,887	159,809	3,130,696
Georgia Highlands College	3,019,354	414,772	3,434,126
Georgia Perimeter College	17,609,643	80,711,681	98,321,324
South Georgia College	940,742	31,317,717	32,258,459
Waycross College	675,925	106,070	781,995
Skidaway Institute of Oceanography	652,015	79,033	731,048
University System Office	336,953,166	15,712,970	352,666,136
Elimination/Consolidation Entries	(309,280,520)	1,015,560,531	706,280,011
Total	\$789,094,090	\$4,212,010,495	\$5,001,104,585

UNIVERSITY SYSTEM OF GEORGIA
CONSOLIDATED STATEMENT OF NET ASSETS BY INSTITUTION
June 30, 2011

Institution	Net Assets				
	Invested in Capital Assets	Restricted Unexpendable	Restricted Expendable	Unrestricted	Total Net Assets
Georgia Institute of Technology	\$1,129,955,922	\$53,640,958	\$59,463,204	\$35,469,658	\$1,278,529,742
Georgia State University	434,557,165	51,828	18,020,064	78,524,150	531,153,207
Georgia Health Sciences University	271,894,456	1,717,115	75,054,827	(9,125,319)	339,541,079
University of Georgia	1,206,069,542	65,353,422	81,628,148	134,456,020	1,487,507,132
Georgia Southern University	261,311,963	2,465,814	3,253,853	43,843,061	310,874,691
Valdosta State University	106,759,759	2,700,858	3,547,278	27,701,379	140,709,274
Albany State University	85,127,614	-	386,824	12,453,770	97,968,208
Armstrong Atlantic State University	54,195,464	2,384,475	318,189	11,523,364	68,421,492
Augusta State University	72,328,686	14,000	1,939,206	4,956,585	79,238,477
Clayton State University	57,783,535	1,107,942	18,346	9,408,010	68,317,833
Columbus State University	65,486,913	1,692,466	3,259,989	10,996,233	81,435,601
Fort Valley State University	63,655,069	68,099	1,532,498	(1,011,032)	64,244,634
Georgia College & State University	48,917,172	2,788,349	5,260,279	10,860,697	67,826,497
Georgia Southwestern State Univ.	40,989,594	397,321	4,583,606	1,898,345	47,868,866
Kennesaw State University	178,914,458	780,787	642,994	32,420,495	212,758,734
North Georgia College & State Univ.	69,263,356	2,712,268	1,857,510	8,983,522	82,816,656
Savannah State University	58,790,162	4,478,982	1,117,842	12,096,135	76,483,121
Southern Polytechnic State Univ.	87,932,812	1,437,397	1,809,689	6,769,425	97,949,323
University of West Georgia	103,859,942	-	2,660,009	\$33,257,037	139,776,988
Abraham Baldwin Agricultural Coll.	32,236,944	-	601,095	5,362,472	38,200,511
College of Coastal Georgia	49,693,463	68,879	52,441	1,526,817	51,341,600
Dalton State College	27,269,485	-	1,961	2,660,778	29,932,224
Gainesville State College	29,194,592	-	(1,194)	10,570,801	39,764,199
Georgia Gwinnett College	46,877,559	-	63,245	7,590,579	54,531,383
Gordon College	40,817,170	-	-	11,265,438	52,082,608
Macon State College	72,506,581	-	1,485,950	7,740,798	81,733,329
Middle Georgia College	64,121,457	-	1,854,886	9,599,009	75,575,352
Atlanta Metropolitan College	11,747,244	-	(2,243)	3,903,111	15,648,112
Bainbridge College	31,889,228	606,955	93,005	5,619,046	38,208,234
Darton College	36,375,266	-	-	2,578,343	38,953,609
East Georgia College	23,630,499	37,100	13,509	1,830,946	25,512,054
Georgia Highlands College	39,656,622	31,246	33,571	1,861,035	41,582,474
Georgia Perimeter College	90,918,866	26,074	288,919	(4,421,832)	86,812,027
South Georgia College	9,868,417	150,000	113,675	1,054,840	11,186,932
Waycross College	9,427,320	136,240	98,625	1,057,816	10,720,001
Skidaway Institute of Oceanography	10,647,512	-	5,370	137,234	10,790,116
University System Office	26,300,467	3,612,043	42,081,324	22,842,318	94,836,152
Elimination/Consolidation Entries				(1,017,399,000)	(\$1,017,399,000)
Total	\$5,050,972,276	\$148,460,618	\$313,138,494	(\$459,137,916)	\$5,053,433,472

University System of Georgia
Condensed Statement of Revenues, Expenses and Changes in Net Assets by Institution
For the Year Ended June 30, 2011

Institution	Operating					
	Revenues				Expenses	Operating Loss
	Tuition & Fees, Net	Federal Approp, Grants & Contracts	Auxiliaries	Other		
Georgia Institute of Technology	\$199,963,731	\$618,379,001	\$86,470,988	\$52,615,406	(\$1,138,694,378)	(\$181,265,252)
Georgia State University	189,341,319	65,789,517	58,559,096	20,015,774	(562,779,506)	(229,073,800)
Georgia Health Sciences University	38,532,794	399,821,598	7,535,101	9,013,268	(609,953,147)	(155,050,386)
University of Georgia	285,376,810	208,460,910	151,288,641	46,326,766	(1,162,119,784)	(470,666,657)
Georgia Southern University	97,033,479	7,506,675	68,072,654	5,167,723	(275,627,022)	(97,846,491)
Valdosta State University	54,456,368	2,861,607	42,383,803	1,798,547	(160,612,416)	(59,112,091)
Albany State University	14,225,198	10,118,867	13,038,173	906,806	(76,123,882)	(37,834,838)
Armstrong Atlantic State University	26,165,041	7,341,535	18,603,919	467,815	(87,789,957)	(35,211,647)
Augusta State University	25,057,467	490,760	9,431,373	1,490,639	(75,072,485)	(38,602,246)
Clayton State University	22,945,975	1,542,879	11,785,914	2,012,095	(81,601,484)	(43,314,621)
Columbus State University	34,353,143	3,337,305	9,471,422	3,119,022	(101,965,437)	(51,684,545)
Fort Valley State University	8,098,099	15,857,139	18,492,236	809,697	(81,121,139)	(37,863,968)
Georgia College & State University	39,675,512	473,658	23,760,823	2,190,141	(103,445,490)	(37,345,356)
Georgia Southwestern State Univ.	9,847,220	3,316,733	9,571,749	520,287	(41,552,905)	(18,296,916)
Kennesaw State University	106,244,019	6,317,550	40,376,460	8,179,998	(280,681,805)	(119,563,778)
North Georgia College & State Univ.	24,544,847	282,849	22,184,235	1,049,655	(82,348,708)	(34,287,122)
Savannah State University	9,065,853	10,432,288	21,414,156	1,033,555	(75,454,869)	(33,509,017)
Southern Polytechnic State Univ.	26,320,329	976,120	13,543,542	1,454,847	(72,305,687)	(30,010,849)
University of West Georgia	43,730,116	2,841,796	32,294,543	3,567,558	(142,232,454)	(59,798,441)
Abraham Baldwin Agricultural Coll.	4,308,335	67,372	12,655,028	395,449	(39,754,434)	(22,328,250)
College of Coastal Georgia	6,195,783	27,497	3,318,791	98,639	(33,834,888)	(24,194,178)
Dalton State College	7,994,218	2,931,727	2,638,108	74,284	(46,120,403)	(32,482,066)
Gainesville State College	18,116,293	16	3,641,223	1,041,978	(58,429,252)	(35,629,742)
Georgia Gwinnett College	13,410,937	107,594	7,184,153	427,525	(68,232,974)	(47,102,765)
Gordon College	5,506,730	833,866	11,384,646	498,327	(41,139,082)	(22,915,513)
Macon State College	12,491,832	265,894	4,339,435	1,293,643	(55,774,577)	(37,383,773)
Middle Georgia College	4,258,875	520,745	11,073,161	344,515	(43,299,888)	(27,102,592)
Atlanta Metropolitan College	4,911,236	2,514,463	2,627,648	90,034	(30,370,749)	(20,227,368)
Bainbridge College	5,815,263	2,114,602	501,244	178,960	(32,357,139)	(23,747,070)
Darton College	10,241,392	2,671,440	2,490,485	302,521	(46,692,556)	(30,986,718)
East Georgia College	3,254,484	25,087	608,582	33,135	(20,514,584)	(16,593,296)
Georgia Highlands College	9,062,123	466,339	661,004	285,226	(35,545,281)	(25,070,589)
Georgia Perimeter College	45,067,999	2,346,821	7,805,011	4,526,019	(168,480,441)	(108,734,591)
South Georgia College	922,047	155,868	4,997,620	175,254	(21,215,972)	(14,965,183)
Waycross College	1,277,921	3,465	755,099	28,250	(8,812,302)	(6,747,567)
Skidaway Institute of Oceanography	-	3,642,579	50,173	496,291	(7,883,483)	(3,694,440)
University System Office	-	9,242,521	-	280,481,142	(410,155,840)	(120,432,177)
Elimination/Consolidation Entries		(26,254,391)	(193,851)	(232,167,712)	(58,845,046)	(317,461,000)
Total	\$1,407,812,788	\$1,367,832,292	\$734,816,388	\$220,343,079	(\$6,438,941,446)	(\$2,708,136,899)

University System of Georgia
Condensed Statement of Revenues, Expenses and Changes in Net Assets by Institution
For the Year Ended June 30, 2011

Institution	Non-Operating		
	State Appropriations	Other Revenues/ (Expenses)	Interest Expense
Georgia Institute of Technology	\$221,854,801	\$107,991,666	(\$26,462,243)
Georgia State University	188,655,253	89,044,488	(19,644,073)
Georgia Health Sciences University	139,948,692	19,327,823	(1,831,860)
University of Georgia	383,568,705	170,428,701	(19,065,332)
Georgia Southern University	76,625,510	41,638,022	(8,962,966)
Valdosta State University	45,398,704	32,219,081	(9,485,355)
Albany State University	18,872,952	19,907,004	(1,527,564)
Armstrong Atlantic State University	27,780,208	14,889,936	(4,679,546)
Augusta State University	24,184,999	15,532,905	(1,582,901)
Clayton State University	22,635,358	27,340,365	(2,354,578)
Columbus State University	31,638,747	20,317,659	(2,154,629)
Fort Valley State University	20,970,110	20,756,991	(4,143,775)
Georgia College & State University	28,646,012	14,398,087	(5,156,883)
Georgia Southwestern State Univ.	11,545,672	11,203,395	(1,923,215)
Kennesaw State University	73,766,721	97,545,924	(10,174,933)
North Georgia College & State Univ.	21,730,386	12,374,249	(4,924,244)
Savannah State University	17,547,199	19,158,768	(2,462,084)
Southern Polytechnic State Univ.	20,256,974	47,845,057	(4,972,238)
University of West Georgia	42,940,578	32,233,137	(5,776,041)
Abraham Baldwin Agricultural Coll.	12,770,887	14,539,542	(2,214,566)
College of Coastal Georgia	12,731,580	26,469,971	-
Dalton State College	13,082,692	21,105,707	(449,516)
Gainesville State College	19,333,426	15,554,592	(917,093)
Georgia Gwinnett College	31,890,398	41,482,360	(9,492,392)
Gordon College	10,669,464	28,180,019	(1,604,755)
Macon State College	18,279,826	20,355,664	(6,734)
Middle Georgia College	15,161,427	13,900,619	(3,127,933)
Atlanta Metropolitan College	7,650,190	12,681,416	-
Bainbridge College	8,398,112	17,575,699	(855,303)
Darton College	14,022,846	15,657,282	(1,306,580)
East Georgia College	6,170,525	13,960,056	(1,348)
Georgia Highlands College	13,552,311	11,304,444	-
Georgia Perimeter College	52,190,921	55,007,199	(3,033,512)
South Georgia College	6,685,794	8,456,117	(1,411,405)
Waycross College	3,442,645	3,366,835	-
Skidaway Institute of Oceanography	2,200,509	1,006,054	-
University System Office	140,436,697	(2,192,959)	(799,065)
Elimination/Consolidation Entries	1	(110,547)	110,546
Total	\$1,807,237,832	\$1,132,453,328	(\$162,394,116)

University System of Georgia
Condensed Statement of Revenues, Expenses and Changes in Net Assets by Institution
For the Year Ended June 30, 2011

Institution	Net Assets				
	Increase/ (Decrease) in Net Assets	Net Assets - Beginning of Year	Prior Year Adjustments	Net Assets - Beginning of Year Restated	Net Assets - End of Year
Georgia Institute of Technology	\$122,118,972	\$1,156,377,293	\$33,477	\$1,156,410,770	\$1,278,529,742
Georgia State University	28,981,868	504,479,206	(2,307,867)	502,171,339	531,153,207
Georgia Health Sciences University	2,394,269	337,146,810	-	337,146,810	339,541,079
University of Georgia	64,265,417	1,423,241,715	-	1,423,241,715	1,487,507,132
Georgia Southern University	11,454,075	297,062,797	2,357,819	299,420,616	310,874,691
Valdosta State University	9,020,339	131,688,935	-	131,688,935	140,709,274
Albany State University	(582,446)	97,723,159	827,495	98,550,654	97,968,208
Armstrong Atlantic State University	2,778,951	65,642,541	-	65,642,541	68,421,492
Augusta State University	(467,243)	79,705,720	-	79,705,720	79,238,477
Clayton State University	4,306,524	64,011,309	-	64,011,309	68,317,833
Columbus State University	(1,882,768)	83,318,369	-	83,318,369	81,435,601
Fort Valley State University	(280,642)	64,525,276	-	64,525,276	64,244,634
Georgia College & State University	541,860	65,550,888	1,733,749	67,284,637	67,826,497
Georgia Southwestern State Univ.	2,528,936	44,778,187	561,743	45,339,930	47,868,866
Kennesaw State University	41,573,934	171,184,800	-	171,184,800	212,758,734
North Georgia College & State Univ.	(5,106,731)	87,923,387	-	87,923,387	82,816,656
Savannah State University	734,866	75,748,255	-	75,748,255	76,483,121
Southern Polytechnic State Univ.	33,118,944	64,830,379	-	64,830,379	97,949,323
University of West Georgia	9,599,233	128,319,439	1,858,316	130,177,755	139,776,988
Abraham Baldwin Agricultural Coll.	2,767,613	31,041,238	4,391,660	35,432,898	38,200,511
College of Coastal Georgia	15,007,373	36,334,227	-	36,334,227	51,341,600
Dalton State College	1,256,817	28,675,407	-	28,675,407	29,932,224
Gainesville State College	(1,658,817)	41,423,016	-	41,423,016	39,764,199
Georgia Gwinnett College	16,777,601	37,753,782	-	37,753,782	54,531,383
Gordon College	14,329,215	37,753,393	-	37,753,393	52,082,608
Macon State College	1,244,983	80,302,171	186,175	80,488,346	81,733,329
Middle Georgia College	(1,168,479)	76,743,831	-	76,743,831	75,575,352
Atlanta Metropolitan College	104,238	15,543,874	-	15,543,874	15,648,112
Bainbridge College	1,371,438	36,836,796	-	36,836,796	38,208,234
Darton College	(2,613,170)	41,566,779	-	41,566,779	38,953,609
East Georgia College	3,535,937	21,976,117	-	21,976,117	25,512,054
Georgia Highlands College	(213,834)	41,796,308	-	41,796,308	41,582,474
Georgia Perimeter College	(4,569,983)	91,382,010	-	91,382,010	86,812,027
South Georgia College	(1,234,677)	12,421,609	-	12,421,609	11,186,932
Waycross College	61,913	10,658,088	-	10,658,088	10,720,001
Skidaway Institute of Oceanography	(487,877)	11,277,993	-	11,277,993	10,790,116
University System Office	17,012,496	77,823,656	-	77,823,656	94,836,152
Elimination/Consolidation Entries	(317,461,000)	(699,938,000)		(699,938,000)	(1,017,399,000)
Total	\$69,160,145	\$4,974,630,760	\$9,642,567	\$4,984,273,327	\$5,053,433,472

University System of Georgia
Condensed Statement of Net Assets by Affiliated Organization (Unaudited)
June 30, 2011

Affiliated Organizations	Assets				
	Current Assets	Noncurrent Cash/ Investments	Capital Assets	Other Assets	Total Assets
Georgia Tech Foundation, Inc.	\$38,795,926	\$845,101,296	\$37,166,123	\$705,771,941	\$1,626,835,286
Georgia Tech Athletic Association	20,706,010		107,940,177	161,369,973	290,016,160
Georgia Tech Research Corporation	156,234,421	36,188	1,331,003	200,000	157,801,612
Georgia Advanced Technology Ventures, Inc.	1,690,084	1,263,304	120,230,110	3,766,838	126,950,336
Georgia Tech Alumni Association	626,259		226,474		852,733
Georgia Tech Facilities, Inc.	31,307,398	15,352,379	5,850,023	243,080,274	295,590,074
Georgia State University Foundation, Inc.	25,501,894	197,503,798	49,530,565	156,752,415	429,288,672
Georgia State University Research Foundation, Inc.	41,482,509	6,175,310	4,865,981	81,069,365	133,593,165
MCG Health, Inc.	158,606,180	12,297,100	189,709,001	132,676,356	493,288,637
MCG Health Systems, Inc.	723,205				723,205
Medical College of Georgia Foundation, Inc.	5,816,838	130,942,383	2,064,823	505,342	139,329,386
Medical College of Georgia Physicians Practice Group Foundation	61,391,047	27,133,728	26,580,926	9,939,673	125,045,374
Georgia Health Sciences Research Institute, Inc.	11,795,086	83,459			11,878,545
Medical College of Georgia Dental Foundation	2,466,867	6,402,537			8,869,404
University of Georgia Foundation	33,829,184	570,982,207	13,300,054	11,158,103	629,269,548
University of Georgia Athletic Assoc., Inc.	102,063,135	1,957,143	228,014,546	12,299,875	344,334,699
Arch Foundation for the University of Georgia, Inc.	50,632,911	59,011,103		19,454,048	129,098,062
University of Georgia Research Foundation, Inc.	76,354,534	53,309,605	20,807,182	284,235,305	434,706,626
Georgia Southern University Foundation, Inc.	45,665,935	145,500	413,083	793,067	47,017,585
Georgia Southern University Housing Foundation, Inc.	10,577,783	30,578,612	34,822,117	344,172,320	420,150,832
Georgia Southern University Athletic Foundation, Inc.	2,016,701		1,518,054	949,506	4,484,261
Georgia Southern University Research and Service Foundation, Inc.	3,449,517		1,361		3,450,878
Valdosta State University Foundation, Inc.	2,606,862	21,063,064	8,610,593	1,004,626	33,285,145
VSU Auxiliary Services Real Estate Foundation, Inc.	3,738,248	15,595,096	227,338	214,015,314	233,575,996
Albany State University Foundation, Inc.	21,723,584	1,540,661	29,332,353	31,513,657	84,110,255
Armstrong Atlantic State University Foundation, Inc.	611,684	6,774,757	-	23,261	7,409,702
AASU Educational Properties Foundation, Inc.	1,716,976	10,159,897	2,659,389	105,991,303	120,527,565
Augusta State University Foundation, Inc.	3,435,955	26,540,774	170,812	52,470,582	82,618,123
(Clayton State University) Walter & Emilie Spivey Foundation	66,007	5,996,098	139,882		6,201,987
Clayton State University Foundation, Inc.	1,027,818	14,556,952		61,970,118	77,554,888
Columbus State University Foundation, Inc.	1,852,192	41,496,299	-	8,703,861	52,052,352
(Columbus State University) Foundation Properties, Inc.	2,890,828	861,406	97,470,494	3,488,565	104,711,293
Columbus State University Athletic Fund, Inc.	50,192	1,500,835		17,781	1,568,808
Columbus State University Alumni Association, Inc.	146,809	173,039			319,848
Fort Valley State University Foundation, Inc.	5,153,616	9,732,595	1,719,681	53,672,200	70,278,092
Georgia College & State University Alumni Association, Inc.	382,517	5,938,748	25,420	4,500	6,351,185
Georgia College and State University Foundation, Inc.	9,111,445	35,337,649	3,661,570	86,060,512	134,171,176
Georgia Southwestern Foundation, Inc.	2,208,978	28,100,176	228,482	40,089,904	70,627,540
Kennesaw State University Foundation, Inc.	13,497,659	75,275,457	124,941,460	180,466,362	394,180,938
North Georgia College & State University Foundation, Inc.	1,479,087	37,765,866		42,768,458	82,013,411
North Georgia College & State University Real Estate Foundation, Inc.	487,105	40,137,358	27,450,141	60,308,303	128,382,907
Southern Polytechnic State University Foundation, Inc.	4,640,477	9,470,153		40,790,352	54,900,982
University of West Georgia Foundation, Inc.	5,703,709	26,678,448	233,126	57,266,795	89,882,078
UWG Real Estate Foundation, Inc.	3,771,180	1,368,392		57,353,568	62,493,140
Abraham Baldwin Agricultural College Foundation, Inc.	5,600,227	20,333,013	3,148,053	72,466,601	101,547,894
College of Coastal Georgia Foundation, Inc.	1,553,934	8,863,760		387,043	10,804,737
Dalton State College Foundation, Inc.	4,730,865	20,330,031	6,198,295	1,087,031	32,346,222
Gainesville State College Foundation, Inc.	12,555,514	11,265,375		155,969	23,976,858
Gordon College Foundation, Inc.	1,869,069	9,573,857	5,800	31,357,890	42,806,616
Macon State College Foundation, Inc.	809,000			10,511,315	11,320,315
Middle Georgia College Foundation, Inc.	1,164,053	11,135,065	480,007	64,074,344	76,853,469
Bainbridge College Foundation	755,370				755,370
Darton College Foundation, Inc.	3,386,341	1,073,778	415,432	55,723	4,931,274
Darton Boosters, Inc.	718,106	4,892,533	8,695,047	8,896,669	23,202,355
East Georgia College Foundation, Inc.	266,464	744,537	51,679	10,007	1,072,687
Georgia Highlands College Foundation, Inc.	474,122	1,333,352	15,345	330,658	2,153,477
Georgia Perimeter College Foundation, Inc.	1,916,117	2,344,250	76,191,626	1,396,704	81,848,697
South Georgia College Foundation, Inc.	1,433,427	5,583,498	5,340,690	26,763,697	39,121,312
Waycross College Foundation, Inc.	101,346	1,708,218			1,809,564
University System of Georgia Foundation, Inc.	20,175,219	47,919,054	73,843,724	175,704,641	317,642,638
Total	\$1,025,545,526	\$2,521,439,693	\$1,315,628,042	\$3,659,372,715	\$8,521,985,976

University System of Georgia
Condensed Statement of Net Assets by Affiliated Organization (Unaudited)
June 30, 2011

Affiliated Organizations	Liabilities		
	Current Liabilities	Noncurrent Liabilities	Total Liabilities
Georgia Tech Foundation, Inc.	\$36,687,875	\$419,195,411	\$455,883,286
Georgia Tech Athletic Association	16,949,191	189,774,634	206,723,825
Georgia Tech Research Corporation	115,129,800		115,129,800
Georgia Advanced Technology Ventures, Inc.	8,756,231	109,806,634	118,562,865
Georgia Tech Alumni Association	448,059		448,059
Georgia Tech Facilities, Inc.	15,781,962	299,507,451	315,289,413
Georgia State University Foundation, Inc.	10,808,582	252,335,893	263,144,475
Georgia State University Research Foundation, Inc.	21,756,287	89,534,996	111,291,283
MCG Health, Inc.	74,381,271	151,548,474	225,929,745
MCG Health Systems, Inc.	13,391		13,391
Medical College of Georgia Foundation, Inc.	-	1,094,673	1,094,673
Medical College of Georgia Physicians Practice Group Foundation	10,472,130	29,515,088	39,987,218
Georgia Health Sciences Research Institute, Inc.	5,323,764		5,323,764
Medical College of Georgia Dental Foundation	356,434	8,256,432	8,612,866
University of Georgia Foundation	6,846,292	17,246,167	24,092,459
University of Georgia Athletic Assoc., Inc.	31,990,968	129,049,908	161,040,876
Arch Foundation for the University of Georgia, Inc.	2,719,408		2,719,408
University of Georgia Research Foundation, Inc.	61,040,670	298,402,713	359,443,383
Georgia Southern University Foundation, Inc.	678,956		678,956
Georgia Southern University Housing Foundation, Inc.	24,160,124	390,787,568	414,947,692
Georgia Southern University Athletic Foundation, Inc.	247,477	346,246	593,723
Georgia Southern University Research and Service Foundation, Inc.	2,484,347		2,484,347
Valdosta State University Foundation, Inc.	1,222,608	5,423,166	6,645,774
VSU Auxiliary Services Real Estate Foundation, Inc.	5,641,110	187,806,779	193,447,889
Albany State University Foundation, Inc.	2,317,253	79,948,911	82,266,164
Armstrong Atlantic State University Foundation, Inc.	87,921	-	87,921
AASU Educational Properties Foundation, Inc.	2,566,877	94,315,484	96,882,361
Augusta State University Foundation, Inc.	2,822,933	50,771,850	53,594,783
(Clayton State University) Walter & Emilie Spivey Foundation			-
Clayton State University Foundation, Inc.	1,134,418	70,313,483	71,447,901
Columbus State University Foundation, Inc.	369,813	3,403,018	3,772,831
(Columbus State University) Foundation Properties, Inc.	22,126,674	70,436,450	92,563,124
Columbus State University Athletic Fund, Inc.	271,854	134,465	406,319
Columbus State University Alumni Association, Inc.	10,821		10,821
Fort Valley State University Foundation, Inc.	3,683,634	61,623,420	65,307,054
Georgia College & State University Alumni Association, Inc.	53,513		53,513
Georgia College and State University Foundation, Inc.	5,054,686	121,491,358	126,546,044
Georgia Southwestern Foundation, Inc.	1,089,905	44,160,485	45,250,390
Kennesaw State University Foundation, Inc.	35,503,107	331,818,769	367,321,876
North Georgia College & State University Foundation, Inc.	2,152,574	49,336,814	51,489,388
North Georgia College & State University Real Estate Foundation, Inc.	7,049,589	121,254,358	128,303,947
Southern Polytechnic State University Foundation, Inc.	2,924,705	44,459,700	47,384,405
University of West Georgia Foundation, Inc.	2,780,541	54,313,958	57,094,499
UWG Real Estate Foundation, Inc.	1,108,755	55,194,126	56,302,881
Abraham Baldwin Agricultural College Foundation, Inc.	4,788,697	73,302,579	78,091,276
College of Coastal Georgia Foundation, Inc.	279,020		279,020
Dalton State College Foundation, Inc.	279,499	2,240,490	2,519,989
Gainesville State College Foundation, Inc.	554,849	8,365,208	8,920,057
Gordon College Foundation, Inc.	1,130,339	32,476,317	33,606,656
Macon State College Foundation, Inc.	3,259,393		3,259,393
Middle Georgia College Foundation, Inc.	3,290,377	62,895,000	66,185,377
Bainbridge College Foundation			-
Darton College Foundation, Inc.			-
Darton Boosters, Inc.	260,000	23,201,160	23,461,160
East Georgia College Foundation, Inc.	9,944		9,944
Georgia Highlands College Foundation, Inc.	2,800		2,800
Georgia Perimeter College Foundation, Inc.	1,627,018	75,170,000	76,797,018
South Georgia College Foundation, Inc.	277,626	35,454,511	35,732,137
Waycross College Foundation, Inc.	12,139		12,139
University System of Georgia Foundation, Inc.	23,221,889	288,813,244	312,035,133
Total	\$586,000,100	\$4,434,527,391	\$5,020,527,491

University System of Georgia
Condensed Statement of Net Assets by Affiliated Organization (Unaudited)
June 30, 2011

Affiliated Organizations	Net Assets				
	Invested in Capital Assets	Restricted Nonexpendable	Restricted Expendable	Unrestricted	Total Net Assets
Georgia Tech Foundation, Inc.	\$1,355,303	\$477,362,704	\$594,787,553	\$97,446,440	\$1,170,952,000
Georgia Tech Athletic Association	(23,944,470)	29,728,251	75,441,857	2,066,697	83,292,335
Georgia Tech Research Corporation	1,331,003			41,340,809	42,671,812
Georgia Advanced Technology Ventures, Inc.	9,771,172		10,610,497	(11,994,198)	8,387,471
Georgia Tech Alumni Association	226,474			178,200	404,674
Georgia Tech Facilities, Inc.	(47,470,341)		10,260,388	17,510,614	(19,699,339)
Georgia State University Foundation, Inc.	(48,350,272)	88,150,117	52,910,364	73,433,988	166,144,197
Georgia State University Research Foundation, Inc.	4,860,143	2,000,000	6,322,785	9,118,954	22,301,882
MCG Health, Inc.	66,693,844	30,000	1,259,322	199,375,726	267,358,892
MCG Health Systems, Inc.				709,814	709,814
Medical College of Georgia Foundation, Inc.	2,064,823	114,083,751	10,745,029	11,341,110	138,234,713
Medical College of Georgia Physicians Practice Group Foundation	9,939,673			75,118,483	85,058,156
Georgia Health Sciences Research Institute, Inc.		69,973		6,484,808	6,554,781
Medical College of Georgia Dental Foundation				256,538	256,538
University of Georgia Foundation	6,579,933	312,021,331	247,798,448	38,777,377	605,177,089
University of Georgia Athletic Assoc., Inc.	108,766,282			74,527,541	183,293,823
Arch Foundation for the University of Georgia, Inc.		46,180,889	76,401,640	3,796,125	126,378,654
University of Georgia Research Foundation, Inc.	10,470,176		2,749,528	62,043,539	75,263,243
Georgia Southern University Foundation, Inc.	413,083	31,052,628	11,326,203	3,546,715	46,338,629
Georgia Southern University Housing Foundation, Inc.	(104,084,219)	11,063,611		98,223,748	5,203,140
Georgia Southern University Athletic Foundation, Inc.	1,224,624		2,334,476	331,438	3,890,538
Georgia Southern University Research and Service Foundation, Inc.	1,361			965,170	966,531
Valdosta State University Foundation, Inc.	3,313,292	19,832,851	2,873,335	619,893	26,639,371
VSU Auxiliary Services Real Estate Foundation, Inc.	40,128,107				40,128,107
Albany State University Foundation, Inc.	(4,876,814)		6,693,313	27,592	1,844,091
Armstrong Atlantic State University Foundation, Inc.	-	4,626,329	2,427,644	267,808	7,321,781
AASU Educational Properties Foundation, Inc.	24,080,955			(435,751)	23,645,204
Augusta State University Foundation, Inc.	6,942,288	16,115,258	5,152,823	812,971	29,023,340
(Clayton State University) Walter & Emilie Spivey Foundation	139,882			6,062,105	6,201,987
Clayton State University Foundation, Inc.		2,526,868	3,176,541	403,578	6,106,987
Columbus State University Foundation, Inc.		28,915,544	15,984,268	3,379,709	48,279,521
(Columbus State University) Foundation Properties, Inc.	28,850,864			(16,702,695)	12,148,169
Columbus State University Athletic Fund, Inc.	17,781	1,346,583	258,356	(460,231)	1,162,489
Columbus State University Alumni Association, Inc.		62,462		246,565	309,027
Fort Valley State University Foundation, Inc.	1,708,087	3,447,488	3,120,096	(3,304,633)	4,971,038
Georgia College & State University Alumni Association, Inc.	25,420	4,622,390	1,320,852	329,010	6,297,672
Georgia College and State University Foundation, Inc.	(71,976)	13,918,435	5,330,558	(11,551,885)	7,625,132
Georgia Southwestern Foundation, Inc.	(243,715)	11,395,951	6,125,371	8,099,543	25,377,150
Kennesaw State University Foundation, Inc.	(3,973,588)	24,095,927	8,820,467	(2,083,744)	26,859,062
North Georgia College & State University Foundation, Inc.	(1,228,152)	24,494,970	6,770,628	486,577	30,524,023
North Georgia College & State University Real Estate Foundation, Inc.	(34,178,702)			34,257,662	78,960
Southern Polytechnic State University Foundation, Inc.	2,187,610	2,362,688	2,785,493	180,786	7,516,577
University of West Georgia Foundation, Inc.	12,655,463	11,149,242	9,032,684	(49,810)	32,787,579
UWG Real Estate Foundation, Inc.	1,500,848			4,689,411	6,190,259
Abraham Baldwin Agricultural College Foundation, Inc.	7,621,548	6,955,517	3,007,228	5,872,325	23,456,618
College of Coastal Georgia Foundation, Inc.		5,493,558	3,563,020	1,469,139	10,525,717
Dalton State College Foundation, Inc.	3,982,525	9,676,210	3,814,071	12,353,427	29,826,233
Gainesville State College Foundation, Inc.		3,476,741	3,646,693	7,933,367	15,056,801
Gordon College Foundation, Inc.	(1,211,096)	2,178,484	5,790,387	2,442,185	9,199,960
Macon State College Foundation, Inc.		6,661,579	1,045,186	354,157	8,060,922
Middle Georgia College Foundation, Inc.	1,664,138	902,888	491,816	7,609,250	10,668,092
Bainbridge College Foundation		755,370			755,370
Darton College Foundation, Inc.	415,432	1,073,778	2,975,178	466,886	4,931,274
Darton Boosters, Inc.	(268,223)			9,418	(258,805)
East Georgia College Foundation, Inc.	51,679		978,599	32,465	1,062,743
Georgia Highlands College Foundation, Inc.	15,345	918,565	1,114,189	102,578	2,150,677
Georgia Perimeter College Foundation, Inc.	1,554,157	3,699,685	994,511	(1,196,674)	5,051,679
South Georgia College Foundation, Inc.	(35,454,511)	2,393,718	158,395	36,291,573	3,389,175
Waycross College Foundation, Inc.		1,559,345	119,261	118,819	1,797,425
University System of Georgia Foundation, Inc.	817,542		1,024,204	3,765,759	5,607,505
Total	\$56,014,778	\$1,326,401,679	\$1,211,543,257	\$907,498,771	\$3,501,458,485

University System of Georgia
Condensed Statement of Revenues, Expenses and Changes in Net Assets by Affiliated Organization (Unaudited)
For the Year Ended June 30, 2011

Affiliated Organization	Operating					
	Revenues				Expenses	Operating Profit/ (Loss)
	Grants and Contracts	Rents and Royalties	Net Patient Revenue	Other		
Georgia Tech Foundation, Inc.	\$34,849,000	\$15,637,000			(\$81,642,775)	(\$31,156,775)
Georgia Tech Athletic Association	17,866,440	43,806,790			(49,266,404)	12,406,826
Georgia Tech Research Corporation	511,838,870	8,759,167			(516,731,035)	3,867,002
Georgia Advanced Technology Ventures, Inc.	1,083,000	16,806,288		85,597	(13,289,091)	4,685,794
Georgia Tech Alumni Association	4,434,225	1,625,527		148,328	(6,207,249)	831
Georgia Tech Facilities, Inc.		12,073,436			(1,400,038)	10,673,398
Georgia State University Foundation, Inc.	11,348,240	21,924,061		-	(19,009,008)	14,263,293
Georgia State University Research Foundation, Inc.	49,772,554			5,482,093	(51,834,620)	3,420,027
MCG Health, Inc.	(1,263,412)	4,314,840	448,872,489		(477,038,135)	(25,114,218)
MCG Health Systems, Inc.	1,545,295				(835,481)	709,814
Medical College of Georgia Foundation, Inc.	1,685,356	517,062		50,848	(5,106,653)	(2,853,387)
Medical College of Georgia Physicians Practice Group Foundation		102,238,268			(110,235,067)	(7,996,799)
Georgia Health Sciences Research Institute, Inc.	62,955,394	143,433		1,805	(62,866,849)	233,783
Medical College of Georgia Dental Foundation	334,630		8,955,146		(9,580,555)	(290,779)
University of Georgia Foundation	24,690,585	10,126,554		108,511	(28,066,985)	6,858,665
University of Georgia Athletic Assoc., Inc.		89,977,031			(74,528,479)	15,448,552
Arch Foundation for the University of Georgia, Inc.	18,896,288	4,727,541			(17,073,139)	6,550,690
University of Georgia Research Foundation, Inc.	152,117,565	30,119,578		651,192	(168,205,050)	14,683,285
Georgia Southern University Foundation, Inc.	2,022,822	201,215		447,133	(3,451,486)	(780,316)
Georgia Southern University Housing Foundation, Inc.		9,006,858		633,215		9,640,073
Georgia Southern University Athletic Foundation, Inc.	1,420,112	176,400		522,270	(2,233,079)	(114,297)
Georgia Southern University Research and Service Foundation, Inc.	5,831,509				(5,697,940)	133,569
Valdosta State University Foundation, Inc.	4,088,335	1,547,760			(3,231,121)	2,404,974
VSU Auxiliary Services Real Estate Foundation, Inc.	82,978	10,096,584			(2,301,989)	7,877,573
Albany State University Foundation, Inc.	663,823				(1,000,170)	(336,347)
Armstrong Atlantic State University Foundation, Inc.	2,111,916				(1,815,803)	296,113
AASU Educational Properties Foundation, Inc.		1,476,177			(1,129,364)	346,813
Augusta State University Foundation, Inc.	2,697,919	1,839,139			(2,381,259)	2,155,799
(Clayton State University) Walter & Emilie Spivey Foundation	52,403				(332,418)	(280,015)
Clayton State University Foundation, Inc.	612,191	556,471			(2,811,797)	(1,643,135)
Columbus State University Foundation, Inc.	8,270,366	600,287		12,663	(5,746,724)	3,136,592
(Columbus State University) Foundation Properties, Inc.	1,312,275	6,891,366		443,434	(4,442,019)	4,205,056
Columbus State University Athletic Fund, Inc.	200,837	219,918		531	(394,939)	26,347
Columbus State University Alumni Association, Inc.	51,353	50,698		719	(83,835)	18,935
Fort Valley State University Foundation, Inc.	1,483,648	3,230,548			(1,407,123)	3,307,073
Georgia College & State University Alumni Association, Inc.	943,707			55,748	(306,753)	692,702
Georgia College and State University Foundation, Inc.	3,740,071	7,320,531		394,760	(3,234,743)	8,220,619
Georgia Southwestern Foundation, Inc.	1,320,994	1,264,204		111,472	(1,829,248)	867,422
Kennesaw State University Foundation, Inc.	3,344,222	34,017,781			(30,887,946)	6,474,057
North Georgia College & State University Foundation, Inc.	5,678,463	1,313,696			(5,505,149)	1,487,010
North Georgia College & State University Real Estate Foundation, Inc.	103,205	398,872			(298,349)	203,728
Southern Polytechnic State University Foundation, Inc.	2,637,751	2,518,489			(4,098,197)	1,058,043
University of West Georgia Foundation, Inc.	3,179,038	3,809,241			(3,337,884)	3,650,395
UWG Real Estate Foundation, Inc.	3,171,041				(116,314)	3,054,727
Abraham Baldwin Agricultural College Foundation, Inc.	1,125,333	2,297,569		588,541	(1,317,444)	2,693,999
College of Coastal Georgia Foundation, Inc.	2,403,552				(518,550)	1,885,002
Dalton State College Foundation, Inc.	127,620	321,100			(1,078,004)	(629,284)
Gainesville State College Foundation, Inc.	883,496	68,121		980	(1,227,962)	(275,365)
Gordon College Foundation, Inc.	110,491	1,985,832			(155,885)	1,940,438
Macon State College Foundation, Inc.	1,252,639			41,919	(1,438,837)	(144,279)
Middle Georgia College Foundation, Inc.	143,055	3,376,080			(1,877,273)	1,641,862
Bainbridge College Foundation	284,780			2,237	(78,602)	208,415
Darton College Foundation, Inc.	783,003	572,882			(924,091)	431,794
Darton Boosters, Inc.	210,467				(542,359)	(331,892)
East Georgia College Foundation, Inc.	152,147	4,026			(327,943)	(171,770)
Georgia Highlands College Foundation, Inc.	248,848	220,332			(580,730)	(111,550)
Georgia Perimeter College Foundation, Inc.	718,198	4,022,373			(3,878,267)	862,304
South Georgia College Foundation, Inc.	712,218	1,343,980			(354,999)	1,701,199
Waycross College Foundation, Inc.	95,456				(75,689)	19,767
University System of Georgia Foundation, Inc.	1,533,362	10,514,452		105,000	(1,408,574)	10,744,240
Total	\$957,959,674	\$474,059,558	\$457,827,635	\$9,888,996	(\$1,796,777,471)	\$102,958,392

University System of Georgia
Condensed Statement of Revenues, Expenses and Changes in Net Assets by Affiliated Organization (Unaudited)
For the Year Ended June 30, 2011

Affiliated Organization	Non-Operating		Net Assets				
	Revenues	Expenses	Increase/ (Decrease) in	Net Assets -Beginning	Prior Year	Net Assets - Beginning	Net Assets - End of
			Net Assets	of Year	Adjustments	of Year Restated	Year
Georgia Tech Foundation, Inc.	\$218,937,000	(\$16,882,225)	\$170,898,000	\$1,000,053,000	1,000	\$1,000,054,000	\$1,170,952,000
Georgia Tech Athletic Association	14,895,754	(14,450,538)	12,852,042	70,440,293	-	70,440,293	83,292,335
Georgia Tech Research Corporation	1,625,592	-	5,492,594	37,179,218	-	37,179,218	42,671,812
Georgia Advanced Technology Ventures, Inc.	7,273,747	(7,608,037)	4,351,504	4,035,967	-	4,035,967	8,387,471
Georgia Tech Alumni Association			831	403,843	-	403,843	404,674
Georgia Tech Facilities, Inc.	204,582	(17,179,141)	(6,301,161)	(13,398,178)	-	(13,398,178)	(19,699,339)
Georgia State University Foundation, Inc.	18,838,897	(13,084,731)	20,017,459	146,126,738	-	146,126,738	166,144,197
Georgia State University Research Foundation, Inc.	1,223,801		4,643,828	17,658,054	-	17,658,054	22,301,882
MCG Health, Inc.	49,771,387	(8,766,386.00)	15,890,783	251,468,109	-	251,468,109	267,358,892
MCG Health Systems, Inc.			709,814		-	-	709,814
Medical College of Georgia Foundation, Inc.	23,346,358		20,492,971	117,741,742	-	117,741,742	138,234,713
Medical College of Georgia Physicians Practice Group Foundation	7,587,819	(1,344,046)	(1,753,026)	86,811,182	-	86,811,182	85,058,156
Georgia Health Sciences Research Institute, Inc.	93,519		327,302	6,227,479	-	6,227,479	6,554,781
Medical College of Georgia Dental Foundation	653,139	(26,656)	335,704	(79,166)	-	(79,166)	256,538
University of Georgia Foundation	85,746,992	(53,314)	92,552,343	512,624,746	-	512,624,746	605,177,089
University of Georgia Athletic Assoc., Inc.	252,767	(3,394,448)	12,306,871	170,986,952	-	170,986,952	183,293,823
Arch Foundation for the University of Georgia, Inc.	10,090,085		16,640,775	109,737,879		109,737,879	126,378,654
University of Georgia Research Foundation, Inc.	3,116,975	(13,268,164)	4,532,096	70,731,147	-	70,731,147	75,263,243
Georgia Southern University Foundation, Inc.	8,404,515	(31,344)	7,592,855	38,745,774	-	38,745,774	46,338,629
Georgia Southern University Housing Foundation, Inc.	1,572,229	(9,106,901)	2,105,401	3,097,739	-	3,097,739	5,203,140
Georgia Southern University Athletic Foundation, Inc.	28,534	(15,968)	(101,731)	3,992,269	-	3,992,269	3,890,538
Georgia Southern University Research and Service Foundation, Inc.	10,289		143,858	822,673	-	822,673	966,531
Valdosta State University Foundation, Inc.	1,386,930	(411,680)	3,380,224	23,259,147		23,259,147	26,639,371
VSU Auxiliary Services Real Estate Foundation, Inc.	13,231,977	(6,641,719)	14,467,831	25,660,276		25,660,276	40,128,107
Albany State University Foundation, Inc.	2,315,932	(3,426,970)	(1,447,385)	3,291,476		3,291,476	1,844,091
Armstrong Atlantic State University Foundation, Inc.	177,360		473,473	6,848,308		6,848,308	7,321,781
AASU Educational Properties Foundation, Inc.	12,764,858	(3,478,378)	9,633,293	11,536,166	2,475,745	14,011,911	23,645,204
Augusta State University Foundation, Inc.	2,463,233	(1,519,507)	3,099,525	25,923,815		25,923,815	29,023,340
(Clayton State University) Walter & Emilie Spivey Foundation	669,372		389,357	5,812,630		5,812,630	6,201,987
Clayton State University Foundation, Inc.	1,960,032		316,897	5,790,090		5,790,090	6,106,987
Columbus State University Foundation, Inc.	534,472		3,671,064	44,608,457		44,608,457	48,279,521
(Columbus State University) Foundation Properties, Inc.	98,696	(4,166,110)	137,642	12,010,527		12,010,527	12,148,169
Columbus State University Athletic Fund, Inc.	177,084		203,431	959,058		959,058	1,162,489
Columbus State University Alumni Association, Inc.	6,956		25,891	283,136		283,136	309,027
Fort Valley State University Foundation, Inc.	681,897	(3,316,283)	672,687	4,298,351		4,298,351	4,971,038
Georgia College & State University Alumni Association, Inc.	210,142		902,844	5,394,828		5,394,828	6,297,672
Georgia College and State University Foundation, Inc.	5,219,645	(5,177,733)	8,262,531	(637,399)		(637,399)	7,625,132
Georgia Southwestern Foundation, Inc.	4,330,869	(1,954,371)	3,243,920	22,133,230		22,133,230	25,377,150
Kennesaw State University Foundation, Inc.	9,889,199	(15,327,415)	1,035,841	25,823,221		25,823,221	26,859,062
North Georgia College & State University Foundation, Inc.	4,290,087		5,777,097	25,205,623	(458,697)	24,746,926	30,524,023
North Georgia College & State University Real Estate Foundation, Inc.	3,263,425	(3,064,977)	402,176	(323,216)		(323,216)	78,960
Southern Polytechnic State University Foundation, Inc.	1,108,275	(1,488,604)	677,714	6,838,864	(1)	6,838,863	7,516,577
University of West Georgia Foundation, Inc.	1,814,582	(2,657,941)	2,807,036	29,980,543		29,980,543	32,787,579
UWG Real Estate Foundation, Inc.	330,792	(2,972,450)	413,069	5,777,190		5,777,190	6,190,259
Abraham Baldwin Agricultural College Foundation, Inc.	1,164,738	(1,948,976)	1,909,761	21,546,857		21,546,857	23,456,618
College of Coastal Georgia Foundation, Inc.	199,234		2,084,236	8,441,481		8,441,481	10,525,717
Dalton State College Foundation, Inc.	1,745,775	(126,186)	990,305	28,835,928		28,835,928	29,826,233
Gainesville State College Foundation, Inc.	2,527,678		2,252,313	12,969,890	(165,402)	12,804,488	15,056,801
Gordon College Foundation, Inc.	779,930	(1,590,778)	1,129,590	8,070,370		8,070,370	9,199,960
Macon State College Foundation, Inc.	838,270	(54,592)	639,399	7,421,523		7,421,523	8,060,922
Middle Georgia College Foundation, Inc.	271,869	(3,100,514)	(1,186,783)	11,854,875		11,854,875	10,668,092
Bainbridge College Foundation	59,542		267,957	559,783	(72,370)	487,413	575,370
Darton College Foundation, Inc.	1,148,097	(256,213)	1,323,678	3,607,596	-	3,607,596	4,931,274
Darton Boosters, Inc.	192		(331,700)	72,895		72,895	(258,805)
East Georgia College Foundation, Inc.	18,473		(153,297)	1,216,040		1,216,040	1,062,743
Georgia Highlands College Foundation, Inc.	232,500	(30,150)	90,800	2,059,877		2,059,877	2,150,677
Georgia Perimeter College Foundation, Inc.	-	(3,135,726)	(2,273,422)	7,349,803	(24,702)	7,325,101	5,051,679
South Georgia College Foundation, Inc.	54,619	(847,558)	908,260	2,480,915		2,480,915	3,389,175
Waycross College Foundation, Inc.	200,104		219,871	1,577,554		1,577,554	1,797,425
University System of Georgia Foundation, Inc.	430,613	(9,766,685)	1,408,168	4,199,337		4,199,337	5,607,505

Total	\$530,271,430	(\$181,673,415)	\$451,556,407	\$3,048,146,505	\$1,755,573	\$3,049,902,078	\$3,501,458,485
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UNIVERSITY SYSTEM OF GEORGIA
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
June 30, 2011

ASSETS	
Cash and Cash Equivalents	\$ 450,979,715.09
Investments	85,148,350.12
Accounts Receivable	
Federal Financial Assistance	126,750,547.40
Other	238,713,370.72
Margin Allocation	7,927,215.35
Prepaid Expenditures	48,782,953.90
Inventories	4,478,803.93
Other Assets	9,860,325.13
Total Assets	<u>\$ 972,641,281.64</u>
LIABILITIES AND FUND EQUITY	
Liabilities	
Cash Overdraft	\$ 5,490,916.72
Accrued Payroll	22,957,985.96
Encumbrance Payable	297,463,350.47
Accounts Payable	66,749,966.40
Deferred Revenue	272,910,048.81
Funds Held for Others	69,098.41
Other Liabilities	12,232,495.16
Total Liabilities	<u>\$ 677,873,861.93</u>
FUND BALANCES	
Reserved:	
Capital Outlay	\$ 1,497,767.42
Department Sales and Services	45,213,349.78
Indirect Cost Recoveries	55,584,678.43
Technology Fees	10,401,669.24
Restricted/Sponsored Funds	125,074,983.31
Uncollectible Accounts Receivable	12,748,016.06
Inventories	3,038,239.87
Tuition Carry - Forward	22,205,414.43
Carry-Over "Per State Accounting Office"	8,577,953.55
Early Retirement Program	7,625,666.53
Unreserved	
Unreserved: Surplus	<u>2,799,681.09</u>
Total Fund Balances	<u>\$ 294,767,419.71</u>
Total Liabilities and Fund Balances	<u>\$ 972,641,281.64</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 comprehensive basis of accounting other than generally accepted accounting principles.

UNIVERSITY SYSTEM OF GEORGIA
Budget Comparison and Surplus Analysis Report (Non-GAAP Basis)
Budget Funds
Year Ended June 30, 2011

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
State Appropriations			
State General Funds	\$ 1,801,721,416.00	\$ 1,801,721,416.00	\$ -
Tobacco Funds	9,652,634.00	9,652,634.00	-
Non-State Funds			
Research Funds - Other	2,033,118,157.00	1,870,004,477.15	(163,113,679.85)
Research Funds - Federal Stimulus	74,652,207.00	58,459,572.70	(16,192,634.30)
Agency Funds	2,575,969,894.00	2,273,492,446.18	(302,477,447.82)
Total Revenue	6,495,114,308.00	6,013,330,546.03	(481,783,761.97)
Mandatory and Non-Mandatory Transfers		39,521,288.83	39,521,288.83
Prior Year Reserves Available for Expenditure	1,500,000.00	250,769,803.31	249,269,803.31
Total Funds Available	6,496,614,308.00	6,303,621,638.17	(192,992,669.83)
EXPENDITURES			
UGA - Forestry Research	12,704,265.00	10,841,215.31	1,863,049.69
UGA - Agricultural Experiment Station	90,319,893.00	78,911,668.22	11,408,224.78
UGA - Athens Tifton Vet Labs	7,633,077.00	6,368,192.38	1,264,884.62
UGA - Cooperative Extension Service	63,477,863.00	59,048,802.98	4,429,060.02
UGA - Forestry Cooperative Extension	1,158,134.00	954,801.82	203,332.18
UGA - Marine Institute	1,539,577.00	1,266,701.97	272,875.03
UGA - Marine Resources Extension Center	3,054,733.00	2,861,009.20	193,723.80
UGA - Veterinary Medicine Experiment Station	2,653,432.00	2,653,432.00	-
UGA - Veterinary Medicine Teaching Hospital	11,433,774.00	9,551,491.01	1,882,282.99
MCG - Student Education Enrichment Program	-	-	-
MCG - Georgia Radiation Therapy Center	3,625,810.00	3,625,810.00	-
GT - Advanced Technology Development Center/EDI	19,884,886.00	10,926,821.37	8,958,064.63
GT - Georgia Tech Research Institute	231,784,765.00	227,389,095.78	4,395,669.22
USO - Public Libraries	40,149,362.00	39,559,037.11	590,324.89
USO - Regents Central Office	5,783,997.00	5,775,270.98	8,726.02
USO - MCG Hospitals and Clinics	30,441,017.00	30,441,017.00	-
USO - Georgia Public Telecommunications Commission	13,467,718.00	13,462,630.00	5,088.00
USO - Georgia Military College	2,393,133.00	2,393,133.00	-
SKIO - Skidaway Institute of Oceanography-B	6,106,116.00	6,094,736.87	11,379.13
GSU - Georgia Cancer Coalition	9,652,634.00	9,652,633.32	0.68
Georgia Eminent Scholar Endowment Trust Fund	-	-	-
Office of Minority Business	-	-	-
Research Consortium	15,140,552.00	15,140,473.27	78.73
Special Funding Initiative	17,572,084.00	17,388,505.40	183,578.60
Teaching	5,906,637,486.00	5,476,723,562.07	429,913,923.93
Total Expenditures	6,496,614,308.00	6,031,030,041.06	465,584,266.94
Excess of Funds Available over Expenditures		272,591,597.11	

UNIVERSITY SYSTEM OF GEORGIA
Budget Comparison and Surplus Analysis Report (Non-GAAP Basis)
Budget Funds
Year Ended June 30, 2011

<u>Beginning Fund Balance July 1, 2010</u>	
Reserved	\$ 273,337,414.70
Unreserved, Undesignated Fund Balance (Surplus) for FY11	3,041,609.43
Unreserved, Unreserved Fund Balance (Surplus) Returned	(3,041,609.43)
Early Return of Surplus in Fiscal 2011	(1,094,608.16)
<u>Adjustments</u>	
Prior Year Payables/Expenditures	3,345,624.57
Prior Year Receivables/Revenues	(1,313,795.94)
Increase (Decrease) in Inventories	0.00
Other Additions (Deletions)	(1,329,009.26)
Reserved Fund Balance Carried Over from Prior Year as Funds Available	<u>(250,769,803.31)</u>
Ending Fund Balance - June 30, 2011	<u><u>\$ 294,767,419.71</u></u>
<u>Summary of Fund Balance</u>	
Reserved	
Capital Outlay	\$ 1,497,767.42
Department Sales & Services	45,213,349.78
Early Retirement Program	7,625,666.53
Indirect Cost Recovery	55,584,678.43
Inventories	3,038,239.87
Technology Fees	10,401,669.24
Restricted/Sponsored Funds	125,074,983.31
Uncollectible Accounts Receivable	12,748,016.06
Tuition Carry - Forward	22,205,414.43
Property Reserves	8,577,953.55
Total Reserved	<u>291,967,738.62</u>
Unreserved	
Surplus	<u>2,799,681.09</u>
Total Fund Balance - June 30, 2011	<u><u>\$ 294,767,419.71</u></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 comprehensive basis of accounting other than generally accepted accounting principles.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Appropriation	Amended Appropriation	Final Budget	Current Year Revenues
Advanced Technology Development Center/Economic Development Institute				
State Appropriation				
State General Funds	\$ 8,134,317.00	\$ 7,808,944.00	\$ 7,808,944.00	\$ 7,808,944.00
Other Funds	12,975,000.00	10,475,000.00	12,075,942.00	2,666,231.73
Total Advanced Technology Development Center/Economic Development Institute	21,109,317.00	18,283,944.00	19,884,886.00	10,475,175.73
Agricultural Experiment Station				
State Appropriation				
State General Funds	36,367,589.00	35,212,885.00	35,212,885.00	35,212,885.00
Other Funds	37,552,919.00	37,552,919.00	55,107,008.00	43,992,406.92
Total Agricultural Experiment Station	73,920,508.00	72,765,804.00	90,319,893.00	79,205,291.92
Athens/Tifton Vet Laboratories				
State Appropriation				
State General Funds	-	-	-	-
Other Funds	4,944,522.00	4,944,522.00	7,633,077.00	6,436,249.98
Total Athens/Tifton Vet Laboratories	4,944,522.00	4,944,522.00	7,633,077.00	6,436,249.98
Cooperative Extension Service				
State Appropriation				
State General Funds	30,640,474.00	29,614,855.00	29,614,855.00	29,614,855.00
Other Funds	25,083,929.00	25,083,929.00	33,863,008.00	30,935,018.93
Total Cooperative Extension Service	55,724,403.00	54,698,784.00	63,477,863.00	60,549,873.93
Forestry Cooperative Extension				
State Appropriation				
State General Funds	563,721.00	535,535.00	535,535.00	535,535.00
Other Funds	400,000.00	400,000.00	622,599.00	419,471.23
Total Forestry Cooperative Extension	963,721.00	935,535.00	1,158,134.00	955,006.23
Forestry Research				
State Appropriation				
State General Funds	2,743,045.00	2,633,323.00	2,633,323.00	2,633,323.00
Other Funds	3,950,426.00	6,950,426.00	10,070,942.00	8,846,344.49
Total Forestry Research	6,693,471.00	9,583,749.00	12,704,265.00	11,479,667.49
GA Eminent Scholars Endow TF				
State Appropriation				
State General Funds	-	-	-	-
Georgia Radiation Therapy Center				
Other Funds	3,625,810.00	3,625,810.00	3,625,810.00	3,625,810.00
Georgia Tech Research Institute				
State Appropriation				
State General Funds	6,111,257.00	5,866,807.00	5,866,807.00	5,866,807.00
Other Funds	148,917,958.00	223,917,958.00	225,917,958.00	221,553,168.94
Total Georgia Tech Research Institute	155,029,215.00	229,784,765.00	231,784,765.00	227,419,975.94
Marine Institute				
State Appropriation				
State General Funds	780,985.00	749,746.00	749,746.00	749,746.00
Other Funds	486,281.00	486,281.00	789,831.00	678,799.88
Total Marine Institute	1,267,266.00	1,236,027.00	1,539,577.00	1,428,545.88
Marine Resources Extension Center				
State Appropriation				
State General Funds	1,283,410.00	1,218,204.00	1,218,204.00	1,218,204.00
Other Funds	1,345,529.00	1,345,529.00	1,836,529.00	1,652,730.41
Total Marine Resources Extension Center	2,628,939.00	2,563,733.00	3,054,733.00	2,870,934.41
Medical College of Georgia Hospital and Clinics				
State Appropriation				
State General Funds	31,709,393.00	30,441,017.00	30,441,017.00	30,441,017.00
Public Libraries				
State Appropriation				
State General Funds	35,051,419.00	33,649,362.00	33,649,362.00	33,649,362.00
Other Funds	4,522,400.00	5,222,400.00	6,500,000.00	5,911,770.93
Total Public Libraries	39,573,819.00	38,871,762.00	40,149,362.00	39,561,132.93

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Funds Available Compared to Budget				Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
Prior Year Reserve Carry-Over	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
\$ -	\$ -	\$ 7,808,944.00	\$ -	\$ 7,808,943.93	\$ 0.07	\$ 0.07
379,662.63	71,983.34	3,117,877.70	(8,958,064.30)	3,117,877.44	8,958,064.56	0.26
379,662.63	71,983.34	10,926,821.70	(8,958,064.30)	10,926,821.37	8,958,064.63	0.33
-	-	35,212,885.00	-	35,212,885.00	-	-
15,361,376.94	-	59,353,783.86	4,246,775.86	43,698,783.22	11,408,224.78	15,655,000.64
15,361,376.94	-	94,566,668.86	4,246,775.86	78,911,668.22	11,408,224.78	15,655,000.64
-	-	-	-	-	-	-
433,811.86	-	6,870,061.84	(763,015.16)	6,368,192.38	1,264,884.62	501,869.46
433,811.86	-	6,870,061.84	(763,015.16)	6,368,192.38	1,264,884.62	501,869.46
-	-	29,614,855.00	-	29,614,855.00	-	-
3,987,298.50	-	34,922,317.43	1,059,309.43	29,433,947.98	4,429,060.02	5,488,369.45
3,987,298.50	-	64,537,172.43	1,059,309.43	59,048,802.98	4,429,060.02	5,488,369.45
-	-	535,535.00	-	535,535.00	-	-
100,559.42	-	520,030.65	(102,568.35)	419,266.82	203,332.18	100,763.83
100,559.42	-	1,055,565.65	(102,568.35)	954,801.82	203,332.18	100,763.83
-	-	2,633,323.00	-	2,633,323.00	-	-
1,787,825.33	-	10,634,169.82	563,227.82	8,207,892.31	1,863,049.69	2,426,277.51
1,787,825.33	-	13,267,492.82	563,227.82	10,841,215.31	1,863,049.69	2,426,277.51
-	-	-	-	-	-	-
-	-	3,625,810.00	-	3,625,810.00	-	-
-	-	5,866,807.00	-	5,866,807.00	-	-
5,866.72	-	221,559,035.66	(4,358,922.34)	221,522,288.78	4,395,669.22	36,746.88
5,866.72	-	227,425,842.66	(4,358,922.34)	227,389,095.78	4,395,669.22	36,746.88
-	-	749,746.00	-	749,746.00	-	-
72,048.83	-	750,848.71	(38,982.29)	516,955.97	272,875.03	233,892.74
72,048.83	-	1,500,594.71	(38,982.29)	1,266,701.97	272,875.03	233,892.74
-	-	1,218,204.00	-	1,218,204.00	-	-
152,801.73	-	1,805,532.14	(30,996.86)	1,642,805.20	193,723.80	162,726.94
152,801.73	-	3,023,736.14	(30,996.86)	2,861,009.20	193,723.80	162,726.94
-	-	30,441,017.00	-	30,441,017.00	-	-
-	-	33,649,362.00	-	33,647,266.18	2,095.82	2,095.82
-	-	5,911,770.93	(588,229.07)	5,911,770.93	588,229.07	-
-	-	39,561,132.93	(588,229.07)	39,559,037.11	590,324.89	2,095.82

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Appropriation	Amended Appropriation	Final Budget	Current Year Revenues
Public Service/Special Funding Initiatives				
State Appropriation				
State General Funds	\$ 16,854,211.00	\$ 16,072,084.00	\$ 16,072,084.00	\$ 16,072,084.00
State General Funds - Prior Year	-	-	1,500,000.00	-
Total Public Service/Special Funding Initiatives	16,854,211.00	16,072,084.00	17,572,084.00	16,072,084.00
Regents Central Office				
State Appropriation				
State General Funds	5,998,764.00	5,783,997.00	5,783,997.00	5,783,997.00
Other Funds	-	-	-	-
Total Regents Central Office	5,998,764.00	5,783,997.00	5,783,997.00	5,783,997.00
Research Consortium				
State Appropriation				
State General Funds	15,990,062.00	15,140,552.00	15,140,552.00	15,140,552.00
Tobacco Funds	750,000.00	-	-	-
Total Research Consortium	16,740,062.00	15,140,552.00	15,140,552.00	15,140,552.00
Skidaway Institute of Oceanography				
State Appropriation				
State General Funds	1,374,592.00	1,302,592.00	1,302,592.00	1,302,592.00
Federal Stimulus Stabilization Funds	-	-	-	-
Other Funds	4,072,620.00	3,550,000.00	4,803,524.00	4,570,618.65
Total Skidaway Institute of Oceanography	5,447,212.00	4,852,592.00	6,106,116.00	5,873,210.65
Teaching				
State Appropriation				
State General Funds	1,698,668,785.00	1,596,748,544.00	1,596,748,544.00	1,596,748,544.00
American Recovery and Reinvestment Act of 2009				
Federal Stimulus Stabilization funds	23,186,142.00	-	-	-
State Fiscal Stabilization Fund	-	-	-	-
Stabilization Fund - Education State Grants	-	-	-	-
Other Funds	3,061,614,899.00	3,597,731,160.00	4,309,888,942.00	3,860,260,703.93
Total Teaching	4,783,469,826.00	5,194,479,704.00	5,906,637,486.00	5,457,009,247.93
Veterinary Medicine Experiment Station				
State Appropriation				
State General Funds	2,763,992.00	2,653,432.00	2,653,432.00	2,653,432.00
Veterinary Medicine Teaching Hospital				
State Appropriation				
State General Funds	471,493.00	433,774.00	433,774.00	433,774.00
Other Funds	9,621,951.00	9,621,951.00	11,000,000.00	10,407,170.01
Total Veterinary Medicine Teaching Hospital	10,093,444.00	10,055,725.00	11,433,774.00	10,840,944.01
Payments to the Georgia Cancer Coalition				
State Appropriation				
Tobacco Funds	10,354,093.00	9,652,634.00	9,652,634.00	9,652,634.00
Payments to Georgia Military College				
State Appropriation				
State General Funds	2,424,555.00	2,393,133.00	2,393,133.00	2,393,133.00
Payments to Public Telecommunications Commission, Georgia				
State Appropriation				
State General Funds	14,125,833.00	13,462,630.00	13,462,630.00	13,462,630.00
Other Funds	5,088.00	5,088.00	5,088.00	-
Total Payments to Public Telecommunications Commission, Georgia	14,130,921.00	13,467,718.00	13,467,718.00	13,462,630.00
Budget Unit Totals	\$ 5,265,467,464.00	\$ 5,742,287,023.00	\$ 6,496,614,308.00	\$ 6,013,330,546.03

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Funds Available Compared to Budget				Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
Prior Year Reserve Carry-Over	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
\$ 1,500,000.00	\$ (1,500,000.00)	\$ 16,072,084.00	\$ -	\$ 15,888,505.40	\$ 183,578.60	\$ 183,578.60
-	1,500,000.00	1,500,000.00	-	1,500,000.00	-	-
1,500,000.00	-	17,572,084.00	-	17,388,505.40	183,578.60	183,578.60
-	-	5,783,997.00	-	5,775,270.98	8,726.02	8,726.02
-	-	-	-	-	-	-
-	-	5,783,997.00	-	5,775,270.98	8,726.02	8,726.02
-	-	15,140,552.00	-	15,140,473.27	78.73	78.73
-	-	-	-	-	-	-
-	-	15,140,552.00	-	15,140,473.27	78.73	78.73
-	-	1,302,592.00	-	1,302,592.00	-	-
178,362.46	(178,362.46)	-	-	-	-	-
294,991.78	178,362.46	5,043,972.89	240,448.89	4,792,144.87	11,379.13	251,828.02
473,354.24	-	6,346,564.89	240,448.89	6,094,736.87	11,379.13	251,828.02
-	100,586.26	1,596,849,130.26	100,586.26	1,596,487,975.71	260,568.29	361,154.55
-	-	-	-	-	-	-
-	-	-	-	-	-	-
224,357,453.90	39,348,719.23	4,123,966,877.06	(185,922,064.94)	3,880,235,586.36	429,653,355.64	243,731,290.70
224,357,453.90	39,449,305.49	5,720,816,007.32	(185,821,478.68)	5,476,723,562.07	429,913,923.93	244,092,445.25
-	-	2,653,432.00	-	2,653,432.00	-	-
1,781.00	(1,781.00)	433,774.00	-	433,774.00	-	-
2,155,962.21	1,781.00	12,564,913.22	1,564,913.22	9,117,717.01	1,882,282.99	3,447,196.21
2,157,743.21	-	12,998,687.22	1,564,913.22	9,551,491.01	1,882,282.99	3,447,196.21
-	-	9,652,634.00	-	9,652,633.32	0.68	0.68
-	-	2,393,133.00	-	2,393,133.00	-	-
-	-	13,462,630.00	-	13,462,630.00	-	-
-	-	-	(5,088.00)	-	5,088.00	-
-	-	13,462,630.00	(5,088.00)	13,462,630.00	5,088.00	-
\$ 250,769,803.31	\$ 39,521,288.83	\$ 6,303,621,638.17	\$ (192,992,669.83)	\$ 6,031,030,041.06	\$ 465,584,266.94	\$ 272,591,597.11

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Period as Funds Available	Return of Fiscal Year 2010 Surplus	Prior Period Adjustments
Advanced Technology Development Center/Economic Development Institute				
State Appropriation				
State General Funds	\$ -	\$ -	\$ -	\$ 507.60
Other Funds	379,662.63	(379,662.63)	-	540.52
Total Advanced Technology Development Center/Economic Development Institute	379,662.63	(379,662.63)	-	1,048.12
Agricultural Experiment Station				
State Appropriation				
State General Funds	638.55	-	(638.55)	47,131.47
Other Funds	15,361,376.94	(15,361,376.94)	-	11,407.78
Total Agricultural Experiment Station	15,362,015.49	(15,361,376.94)	(638.55)	58,539.25
Athens/Tifton Vet Laboratories				
State Appropriation				
State General Funds	-	-	-	-
Other Funds	433,811.86	(433,811.86)	-	685.90
Total Athens/Tifton Vet Laboratories	433,811.86	(433,811.86)	-	685.90
Cooperative Extension Service				
State Appropriation				
State General Funds	-	-	-	15,145.43
Other Funds	3,987,298.50	(3,987,298.50)	-	1,903.83
Total Cooperative Extension Service	3,987,298.50	(3,987,298.50)	-	17,049.26
Forestry Cooperative Extension				
State Appropriation				
State General Funds	-	-	-	202.35
Other Funds	100,559.42	(100,559.42)	-	-
Total Forestry Cooperative Extension	100,559.42	(100,559.42)	-	202.35
Forestry Research				
State Appropriation				
State General Funds	5,385.00	-	(5,385.00)	1,167.31
Other Funds	1,782,503.17	(1,787,825.33)	5,322.16	69.89
Total Forestry Research	1,787,888.17	(1,787,825.33)	(62.84)	1,237.20
GA Eminent Scholars Endow TF				
State Appropriation				
State General Funds	-	-	-	-
Georgia Radiation Therapy Center				
Other Funds	-	-	-	-
Georgia Tech Research Institute				
State Appropriation				
State General Funds	10,039.56	-	(10,039.56)	297.45
Other Funds	5,866.72	(5,866.72)	-	4,604.85
Total Georgia Tech Research Institute	15,906.28	(5,866.72)	(10,039.56)	4,902.30
Marine Institute				
State Appropriation				
State General Funds	-	-	-	216.00
Other Funds	72,048.83	(72,048.83)	-	-
Total Marine Institute	72,048.83	(72,048.83)	-	216.00
Marine Resources Extension Center				
State Appropriation				
State General Funds	-	-	-	966.39
Other Funds	152,801.73	(152,801.73)	-	-
Total Marine Resources Extension Center	152,801.73	(152,801.73)	-	966.39
Medical College of Georgia Hospital and Clinics				
State Appropriation				
State General Funds	-	-	-	-
Public Libraries				
State Appropriation				
State General Funds	7,733.01	-	(7,733.01)	1,746.86
Other Funds	-	-	-	-
Total Public Libraries	7,733.01	-	(7,733.01)	1,746.86

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Other Adjustments	Early Return of Fiscal Year 2011 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
\$ -	\$ -	\$ 0.07	\$ 507.67	\$ -	\$ 507.67	\$ 507.67
-	-	0.26	540.78	-	540.78	540.78
-	-	0.33	1,048.45	-	1,048.45	1,048.45
-	-	-	47,131.47	-	47,131.47	47,131.47
-	-	15,655,000.64	15,666,408.42	15,666,408.42	-	15,666,408.42
-	-	15,655,000.64	15,713,539.89	15,666,408.42	47,131.47	15,713,539.89
-	-	-	-	-	-	-
-	-	501,869.46	502,555.36	502,555.36	-	502,555.36
-	-	501,869.46	502,555.36	502,555.36	-	502,555.36
(413.00)	-	-	14,732.43	-	14,732.43	14,732.43
-	-	5,488,369.45	5,490,273.28	5,490,273.28	-	5,490,273.28
(413.00)	-	5,488,369.45	5,505,005.71	5,490,273.28	14,732.43	5,505,005.71
-	-	-	202.35	-	202.35	202.35
-	-	100,763.83	100,763.83	100,763.83	-	100,763.83
-	-	100,763.83	100,966.18	100,763.83	202.35	100,966.18
-	-	-	1,167.31	-	1,167.31	1,167.31
-	-	2,426,277.51	2,426,347.40	2,426,347.40	-	2,426,347.40
-	-	2,426,277.51	2,427,514.71	2,426,347.40	1,167.31	2,427,514.71
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	297.45	-	297.45	297.45
-	-	36,746.88	41,351.73	36,746.88	4,604.85	41,351.73
-	-	36,746.88	41,649.18	36,746.88	4,902.30	41,649.18
-	-	-	216.00	-	216.00	216.00
-	-	233,892.74	233,892.74	233,892.74	-	233,892.74
-	-	233,892.74	234,108.74	233,892.74	216.00	234,108.74
-	-	-	966.39	-	966.39	966.39
-	-	162,726.94	162,726.94	162,726.94	-	162,726.94
-	-	162,726.94	163,693.33	162,726.94	966.39	163,693.33
-	-	-	-	-	-	-
-	-	2,095.82	3,842.68	-	3,842.68	3,842.68
-	-	-	-	-	-	-
-	-	2,095.82	3,842.68	-	3,842.68	3,842.68

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Period as Funds Available	Return of Fiscal Year 2010 Surplus	Prior Period Adjustments
Public Service/Special Funding Initiatives				
State Appropriation				
State General Funds	\$ 1,571,411.94	\$ (1,500,000.00)	\$ (71,411.94)	\$ 34,174.63
Tobacco Funds	-	-	-	-
Total Public Service/Special Funding Initiatives	1,571,411.94	(1,500,000.00)	(71,411.94)	34,174.63
Regents Central Office				
State Appropriation				
State General Funds	7,165.00	-	(7,165.00)	-
Other Funds	-	-	-	-
Total Regents Central Office	7,165.00	-	(7,165.00)	-
Research Consortium				
State Appropriation				
State General Funds	688.30	-	(688.30)	3,568.18
Tobacco Funds	-	-	-	-
Total Research Consortium	688.30	-	(688.30)	3,568.18
Skidaway Institute of Oceanography				
State Appropriation				
State General Funds	831.75	-	(831.75)	-
Federal Stimulus Stabilization Funds	178,362.46	(178,362.46)	-	-
Other Funds	294,991.78	(294,991.78)	-	-
Total Skidaway Institute of Oceanography	474,185.99	(473,354.24)	(831.75)	-
Teaching				
State Appropriation				
State General Funds	1,100,529.09	-	(1,100,529.09)	2,070,850.64
American Recovery and Reinvestment Act				
Federal Stimulus Stabilization funds	-	-	-	-
State Fiscal Stabilization Fund	-	-	-	-
Stabilization Fund - Education State Grants	-	-	-	-
Other Funds	226,199,803.09	(224,357,453.90)	(1,842,349.19)	(120,934.20)
Total Teaching	227,300,332.18	(224,357,453.90)	(2,942,878.28)	1,949,916.44
Veterinary Medicine Experiment Station				
State Appropriation				
State General Funds	160.00	-	(160.00)	1,079.78
Veterinary Medicine Teaching Hospital				
State Appropriation				
State General Funds	1,781.00	(1,781.00)	-	-
Other Funds	2,155,962.21	(2,155,962.21)	-	(43,504.03)
Total Veterinary Medicine Teaching Hospital	2,157,743.21	(2,157,743.21)	-	(43,504.03)
Payments to the Georgia Cancer Coalition				
State Appropriation				
Tobacco Funds	0.20	-	(0.20)	-
Payments to Georgia Military College				
State Appropriation				
State General Funds	-	-	-	-
Payments to Public Telecommunications Commission, Georgia				
State Appropriation				
State General Funds	-	-	-	-
Other Funds	-	-	-	-
Total Payments to Public Telecommunications Commission, Georgia	-	-	-	-
Total Operating Activity	253,811,412.74	(250,769,803.31)	(3,041,609.43)	2,031,828.63
Prior Year Reserves Note Available for Expenditure				
Inventories	3,303,174.03	-	-	-
Uncollectible Accounts Receivable	11,819,055.83	-	-	-
Early Retirement Program	7,445,381.53	-	-	-
Budget Unit Totals	\$ 276,379,024.13	\$ (250,769,803.31)	\$ (3,041,609.43)	\$ 2,031,828.63

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Other Adjustments	Early Return of Fiscal Year 2011 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
\$ -	\$ (32,809.37)	\$ 183,578.60	\$ 184,943.86	\$ 159,637.78	\$ 25,306.08	\$ 184,943.86
-	-	-	-	-	-	-
-	(32,809.37)	183,578.60	184,943.86	159,637.78	25,306.08	184,943.86
-	-	-	-	-	-	-
-	(8,726.02)	8,726.02	-	-	-	-
-	-	-	-	-	-	-
-	(8,726.02)	8,726.02	-	-	-	-
-	-	-	-	-	-	-
-	-	78.73	3,646.91	-	3,646.91	3,646.91
-	-	-	-	-	-	-
-	-	78.73	3,646.91	-	3,646.91	3,646.91
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	251,828.02	251,828.02	251,828.02	-	251,828.02
-	-	251,828.02	251,828.02	251,828.02	-	251,828.02
283,428.27	(1,053,072.77)	361,154.55	1,662,360.69	-	1,662,360.69	1,662,360.69
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,481,292.35)	-	243,731,290.70	241,129,064.15	240,095,986.58	1,033,077.57	241,129,064.15
(2,197,864.08)	(1,053,072.77)	244,092,445.25	242,791,424.84	240,095,986.58	2,695,438.26	242,791,424.84
-	-	-	1,079.78	-	1,079.78	1,079.78
-	-	-	-	-	-	-
24,956.75	-	3,447,196.21	3,428,648.93	3,428,648.93	-	3,428,648.93
24,956.75	-	3,447,196.21	3,428,648.93	3,428,648.93	-	3,428,648.93
-	-	0.68	0.68	-	0.68	0.68
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,173,320.33)	(1,094,608.16)	272,591,597.11	271,355,497.25	268,555,816.16	2,799,681.09	271,355,497.25
(264,934.16)	-	-	3,038,239.87	3,038,239.87	-	3,038,239.87
928,960.23	-	-	12,748,016.06	12,748,016.06	-	12,748,016.06
180,285.00	-	-	7,625,666.53	7,625,666.53	-	7,625,666.53
\$ (1,329,009.26)	\$ (1,094,608.16)	\$ 272,591,597.11	\$ 294,767,419.71	\$ 291,967,738.62	\$ 2,799,681.09	\$ 294,767,419.71

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Reserved	Surplus	Total Fund Balance
Summary of Ending Fund Balance			
Reserved			
Capital Outlay	\$ 1,497,767.42	\$ -	\$ 1,497,767.42
Departmental Sales and Services	45,213,349.78		45,213,349.78
Early Retirement Program	7,625,666.53		7,625,666.53
Indirect Cost Recoveries	55,584,678.43		55,584,678.43
Inventories	3,038,239.87		3,038,239.87
Property Reserves	8,577,953.55		8,577,953.55
Restricted/Sponsored Funds	125,074,983.31		125,074,983.31
Technology Fees	10,401,669.24		10,401,669.24
Tuition Carry-Over	22,205,414.43		22,205,414.43
Uncollectible Accounts Receivable	12,748,016.06		12,748,016.06
Unreserved			
Surplus	-	2,799,681.09	2,799,681.09
Total Ending Fund Balance - June 30	\$ 291,967,738.62	\$ 2,799,681.09	\$ 294,767,419.71

University System of Georgia Financial Statement Findings June 30, 2011

The auditor is required to communicate to management and those charged with governance deficiencies in internal controls identified during the course of the financial statement audit that, in the auditor's judgment, constitute significant deficiencies or material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University System of Georgia's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Any identified deficiencies in internal controls that the auditors did not consider to be significant deficiencies and/or material weaknesses have been communicated to management and those charged with governance within a separate management letter dated January 17, 2012. Internal control deficiencies and/or material weaknesses are presented below:

Atlanta Metropolitan College

FS-561-11-01

Fort Valley State University

FS-533-11-01

FS-533-11-02

FS-533-11-03

FS-533-11-04

Georgia Perimeter College

FS-571-11-01

FS-571-11-02

Macon State College

FS-581-11-01

FS-581-11-02

FS-581-11-03

Skidaway Institute of Oceanography

FS-593-11-01

FS-593-11-02

FS-593-11-03

South Georgia College

FS-587-11-01

FS-587-11-02

FS-587-11-03

FS-587-11-04

University System Office

FS-472-11-01

Detailed information on these findings is available in the individual college or university report for the fiscal year ended June 30, 2011 located at <http://www.audits.ga.gov>.

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Corlis Cummings, Clayton State University
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Scott Bailey, Dalton State College
Ronnie A. Henry, Darton College
Cliff Gay, East Georgia College
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