



SAVANNAH STATE UNIVERSITY

FISCAL YEAR 2017
ANNUAL FINANCIAL REPORT
(Including Independent Auditor's Report)

Savannah, Georgia



SAVANNAH STATE UNIVERSITY
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2017

Introductory Section

Message from the President	2
Letter of Transmittal	3

Financial Section

Management's Discussion and Analysis	5
Financial Statements (GAAP Basis)	
Statement of Net Position	19
Statement of Revenues, Expenses, and Changes in Net Position	22
Statement of Cash Flows	24
Notes to the Financial Statements	27

Required Supplementary Information

Schedule of Contributions for Defined Benefit Pension Plan	55
Schedule of Proportionate Share of Net Pension Liability	56
Notes to the Required Supplemental Information for Pension Plans	57

Supplementary Information

Balance Sheet (Non-GAAP Basis)	59
Summary Budget Comparison and Surplus Analysis Report (Non-GAAP Basis)	60
Statement of Funds Available and Expenditures Compared to Budget (Non-GAAP Basis)	61
Statement of Changes to Fund Balance by Program and Funding Source (Non-GAAP Basis)	63

INTRODUCTORY SECTION



SAVANNAH STATE UNIVERSITY



August 16, 2017

Message from the President:

Savannah State University enjoyed success on many fronts during the past academic year. Construction began and will be complete on the SSU Marine Science Center and the SSU Science and Technology lab and buildings for occupancy in the 2017-2018 year. These facilities will enable students to study and conduct research in state of the art labs and classrooms. We are very proud of the state funding received to enhance campus roadways, which have not been replaced in more than 25 years, and addressed deferred maintenance projects. We continue to have enrollment growth as well as need-based aid challenges to impact our student retention.

At Savannah State University, we are proud of our history and our accomplishments. We prepare smart, bold, and proud students with the knowledge to succeed in an international marketplace, they are seriously impressive. They learn in classrooms and labs, on the oceans and across the globe.

We are grateful for the ongoing support of the University System of Georgia, its Board of Regents, the governor and legislators, our faithful alumni, the SSU Foundation, the dedicated faculty and staff, our vital and involved student body and the city of Savannah as a whole. As the oldest public HBCU in the state and the oldest institution of higher learning in Savannah, we are proud of our distinct heritage and we are prepared and eager to serve the community.

Sincerely,


Cheryl D. Dozier
President

August 16, 2017

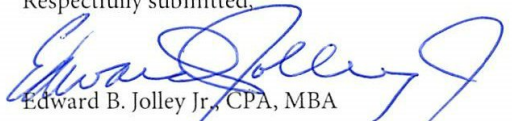
Madam President, Savannah State University:

The Annual Financial Report (AFR) includes the financial statements for the year ended June 30, 2017, as well as other useful information that helps to ensure the University's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, which includes all note disclosure necessary for the reader to gain a broad understanding of the University's financial position and results of operations for the fiscal year ended June 30, 2017.

Responsibility for the accuracy of this information and for the completeness and fairness of its presentation, including all note disclosures, rests with the University's management. We believe the information is accurate in all material respects and fairly presents the University's financial position, revenues, expenses and other changes in net position.

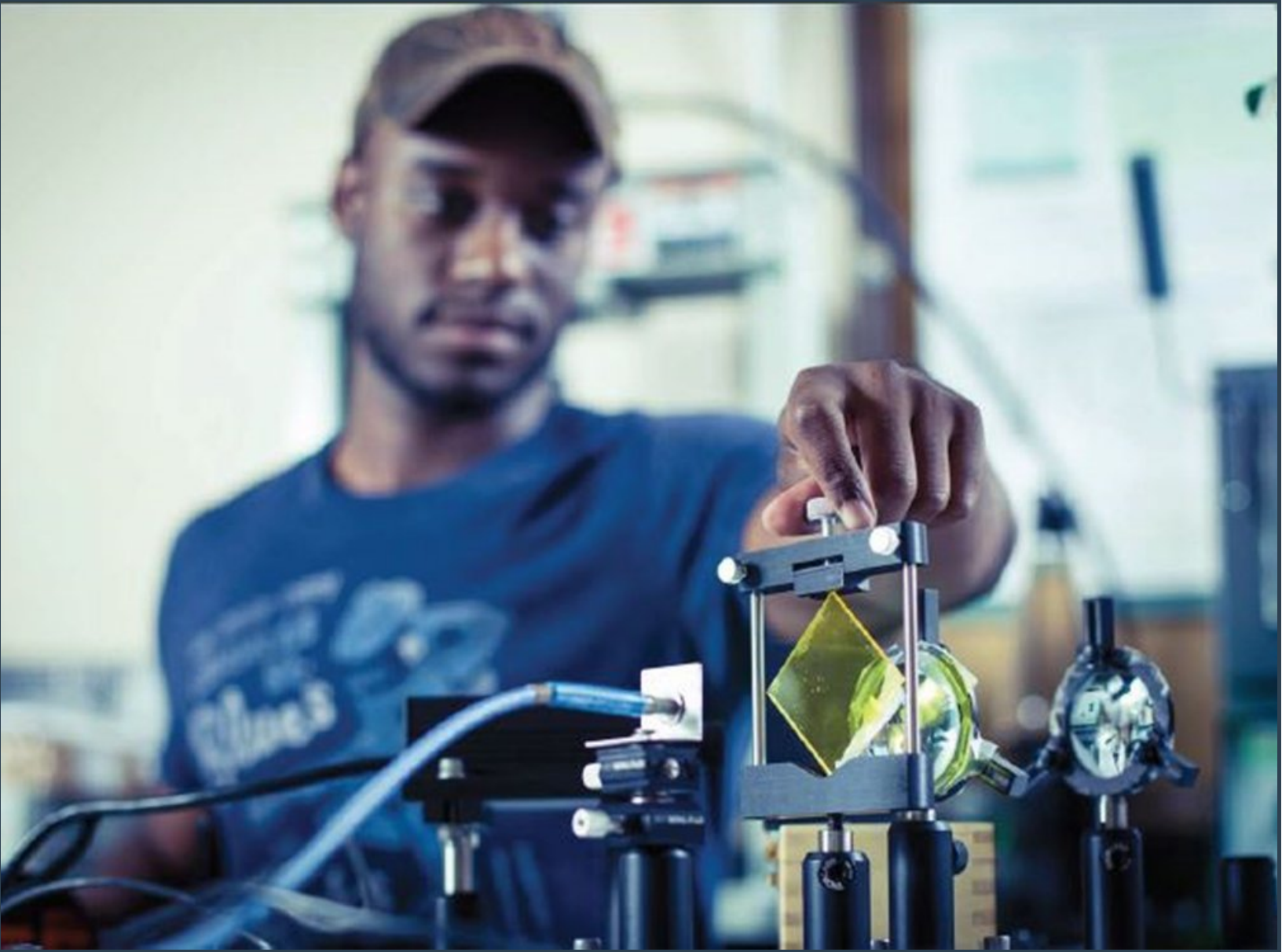
We also believe our system of internal controls is sound and sufficient to disclose material deficiencies in controls to the auditors as well as to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition. The University's financial records are reviewed by the Department of Audits and Accounts on an annual basis. The University's internal auditors also perform fiscal compliance and performance engagements, the results of which are shared with the University's management. The audit of the University's financial assistance programs is performed by the Department of Audits and Accounts in conjunction with the statewide Single Audit.

Respectfully submitted,



Edward B. Jolley Jr., CPA, MBA
Vice-President Business & Financial Affairs/CBO

FINANCIAL SECTION



SAVANNAH STATE UNIVERSITY

SAVANNAH STATE UNIVERSITY

Management's Discussion and Analysis

Introduction

Savannah State University is one of the 28 institutions of higher education of the University System of Georgia. Chartered by the State of Georgia in 1890, Savannah State University has been an important part of higher education for 127 years. As the oldest public HBCU in Georgia and the oldest institution of higher learning in the historic city of Savannah, SSU has served this community with distinction while meeting the educational needs of an increasingly diverse student population.

The University's 173-acre campus is by far the most picturesque in the state of Georgia. The moss-laden sweeping oak trees, expansive marsh and historic architecture create a resplendent yet tranquil atmosphere. Beneath the beauty and splendor is a vibrant residential campus bursting at the seams with the vim and vigor of quality collegiate life: relevant academic majors, engaging lectures, cutting-edge research, quality student-faculty engagement and a nurturing environment.

Savannah State University develops productive members of a global society through high quality instruction, scholarship, research, service, and community involvement. The University fosters engaged learning and personal growth in a student-centered environment that celebrates the African American legacy while nurturing a diverse student body. Savannah State University offers graduate and undergraduate studies including nationally accredited programs in the liberal arts, the sciences and the professions.

The institution continues to grow as shown by the comparison numbers that follow.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2017	4,955	4,680
FY 2016	4,800	4,544
FY 2015	4,915	4,674

Overview of the Financial Statements and Financial Analysis

Savannah State University is proud to present its financial statements for fiscal year 2017.

The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2017 and fiscal year 2016.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net assets of the University as of the end of the fiscal year, which ended on June 30, 2017. The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of Savannah State University. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (assets minus liabilities). The difference between current and noncurrent assets will be discussed in the Notes to the Financial Statements

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the University and how much the University owes vendors. The difference between assets and liabilities (net position) is one indicator of the University's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the University's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories. The first category, net investment in capital assets, provides the Institution's equity in property, plant and equipment owned by the Institution.

The next category is the net investment in capital assets. It provides the Institution's equity in property, plant and equipment owned by the Institution.

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

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

CONDENSED STATEMENT OF NET POSITION	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	\$ 13,105,569	\$ 11,956,210	\$ 1,149,359	9.61 %
Capital Assets, Net	139,453,020	142,576,561	(3,123,541)	(2.19)%
Other Assets	9,194,313	8,491,999	702,314	8.27 %
TOTAL ASSETS	161,752,902	163,024,770	(1,271,868)	(0.78)%
DEFERRED OUTFLOWS	11,211,681	4,363,002	6,848,679	156.97 %
LIABILITIES				
Current Liabilities	9,770,610	8,177,234	1,593,376	19.49 %
Non-Current Liabilities	135,941,248	131,254,224	4,687,024	3.57 %
TOTAL LIABILITIES	145,711,858	139,431,458	6,280,400	4.50 %
DEFERRED INFLOWS	4,433,736	2,717,113	1,716,623	63.18 %
NET POSITION				
Net Investment in Capital Assets	37,787,682	38,663,801	(876,119)	(2.27)%
Restricted, Non-Expendable	7,374,665	6,658,534	716,131	10.76 %
Restricted, Expendable	1,030,718	1,143,226	(112,508)	(9.84)%
Unrestricted	(23,374,076)	(21,226,360)	(2,147,716)	10.12 %
TOTAL NET POSITION	\$ 22,818,989	\$ 25,239,201	\$ (2,420,212)	(9.59)%

Total assets of the University decreased \$(1,271,868) or less than 1%. A review of the Statement of Net Position will reveal that the decrease was primarily due to an increase in current assets of \$1,149,359, a decrease in net capital assets of \$(3,123,541), and an increase in other assets of \$702,314. The overall decrease in unrestricted cash and investments was mostly driven by spending for maintenance and renovation costs. Also, the decrease in the category of Capital Assets, Net, was due to depreciation.

Accounts receivables decreased due to the timing on collecting amounts due from sponsored grants and contracts, Georgia State Financing and Investment Commission, Georgia Student Finance Commission, and affiliated organizations. The consumption of assets follows the University's philosophy to use available resources to acquire

and improve all areas of the University to better serve the instruction, research and public service missions of the University.

Total deferred outflows of resources increased by \$6,848,679 or 157%, which was primarily due to the University's proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

Total liabilities increased for the year by \$6,280,400 or 5% which was due to an increase in current liabilities of \$1,593,376 and an increase in non-current liabilities of \$4,687,024. Accounts payable decreased for the year by \$97,997, which was directly due to timing differences in banner clearing. Advances increased for the year by \$1,025,640 or 60%, which was directly due to grants and contracts funds collected before regular grant activities and summer semester revenues deferred as a result of classes crossing fiscal years.

Lease purchase obligations decreased for the year by \$6,515,308 or 8%. The decrease occurred primarily as a result of the refinancing of the long-term notes for University Village and University Commons by the foundation. Compensated absences increased for the year by \$79,189 or 8%, which was related to a combination of an increase in salaries and an increase in unused vacation leave. Funds held for others increased for the year by \$177,300 or 10%. The increase is the result of the new Agency accounts established during the fiscal year. Net pension liability increased for the year by \$10,900,176. or 38%. The increase is attributed to the University's proportionate share of the actuarially determined liability for defined benefit plans administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded a decrease in net position of \$(2,420,212). This change in net position is primarily in the category of Net Investment in Capital Assets, in the amount of \$(876,119).

Total deferred inflows of resources increased by \$1,716,623 which was primarily a combination of the University's proportionate share of the actuarially determined deferred gain on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia and the gain on debt refunding attributed to the refinancing of the long-term notes for University Village and University Commons.

Statement of Revenues, Expenses and Changes in Net Position

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

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
Operating Revenue	\$ 58,630,618	\$ 55,436,318	\$ 3,194,300	5.76 %
Operating Expense	98,013,480	93,100,605	4,912,875	5.28 %
Operating Income/Loss	(39,382,862)	(37,664,287)	(1,718,575)	4.56 %
Non-Operating Revenue and Expense	36,887,650	35,469,529	1,418,121	4.00 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	(2,495,212)	(2,194,758)	(300,454)	13.69 %
Other Revenues, Expenses, Gains, Losses and Special Items	75,000	731,765	(656,765)	-89.75 %
Change in Net Position	(2,420,212)	(1,462,993)	(957,219)	65.43 %
Net Position at beginning of year	25,239,201	26,702,194	(1,462,993)	-5.48 %
Net Position at End of Year	\$ 22,818,989	\$ 25,239,201	\$ (2,420,212)	(9.59)%

The Statement of Revenues, Expenses and Changes in Net Position reflect the decrease in Net Position in the amount of (2,420,212) or 10%. which is substantially attributable to salaries and benefits, and scholarships and fellowships.

Revenues

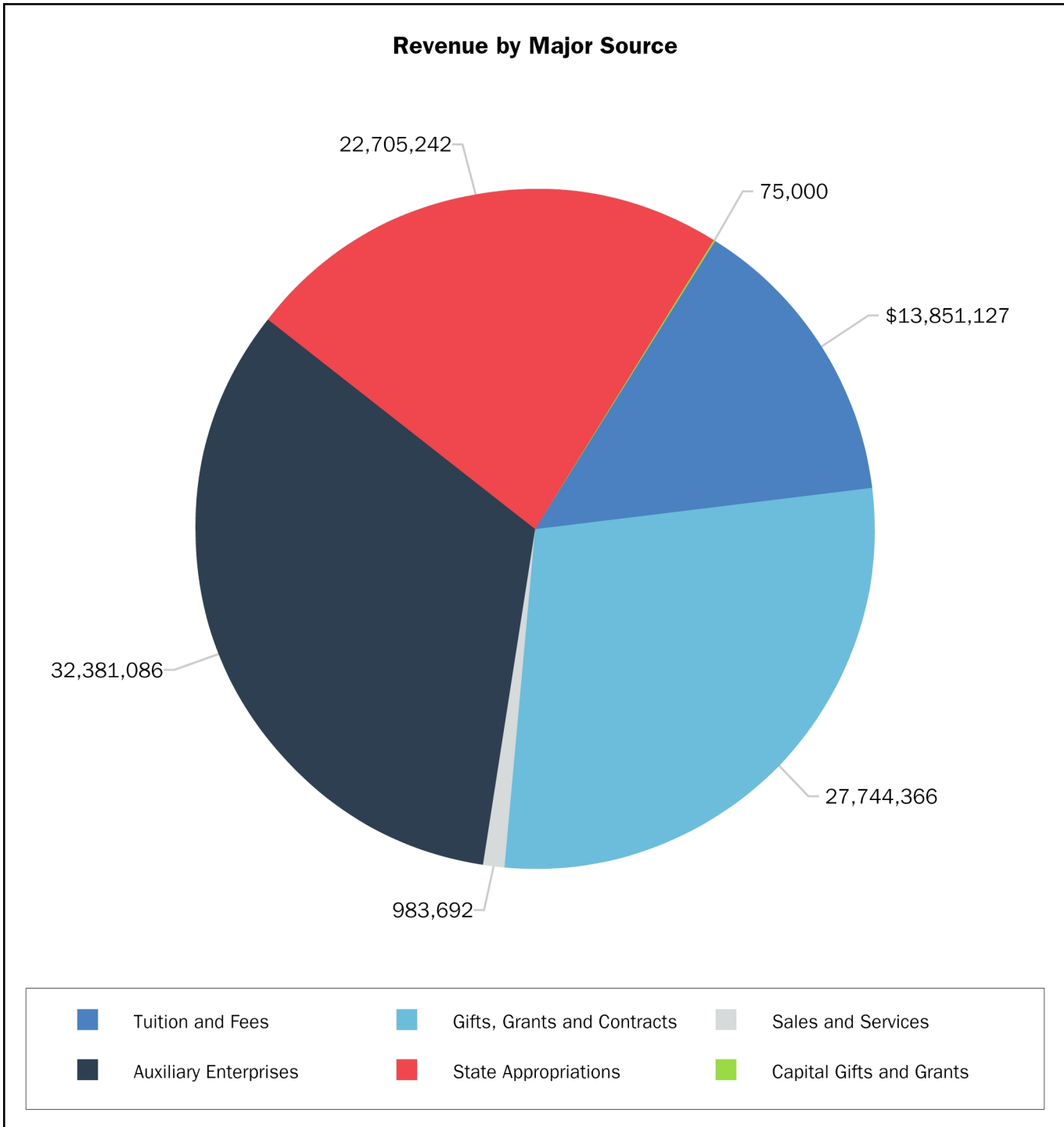
For the years ended June 30, 2017 and June 30, 2016, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 13,851,127	\$ 13,311,455	\$ 539,672	4.05%
Federal Appropriations	—	—	—	0.00%
Grants and Contracts	9,785,658	10,289,405	(503,747)	-4.90%
Sales and Services	983,692	945,266	38,426	4.07%
Auxiliary Enterprises	32,381,086	30,255,702	2,125,384	7.02%
Other Operating Revenues	1,629,055	634,490	994,565	156.75%
Total Operating Revenues	58,630,618	55,436,318	3,194,300	5.76%
State Appropriations	22,703,668	22,014,788	688,880	3.13%
Grants and Contracts	16,847,003	17,173,804	(326,801)	-1.90%
Gifts	1,111,705	781,214	330,491	42.30%
Investment Income	705,048	332,132	372,916	112.28%
Other Nonoperating Revenues	134,228	51,660	82,568	159.83%
Total Nonoperating Revenues	41,501,652	40,353,598	1,148,054	2.84%
State Capital Gifts and Grants	—	—	—	0.00%
Other Capital Gifts and Grants	75,000	—	75,000	100.00%
Total Capital Gifts and Grants	75,000	—	75,000	100.00%
Additions to Permanent and Term Endowments	—	—	—	0.00%
Special Items	—	—	—	0.00%
Extraordinary Items	—	731,765	(731,765)	-100.00%
Total Revenues	\$ 100,207,270	\$ 96,521,681	\$ 3,685,589	3.82%

State appropriations increased \$690,454 or 3% in fiscal 2017. Grants and contracts revenue decreased by \$ 830,548 or (3%) in fiscal 2017. Tuition and fee revenues, net increased \$539,762 or 4% in fiscal 2017 when

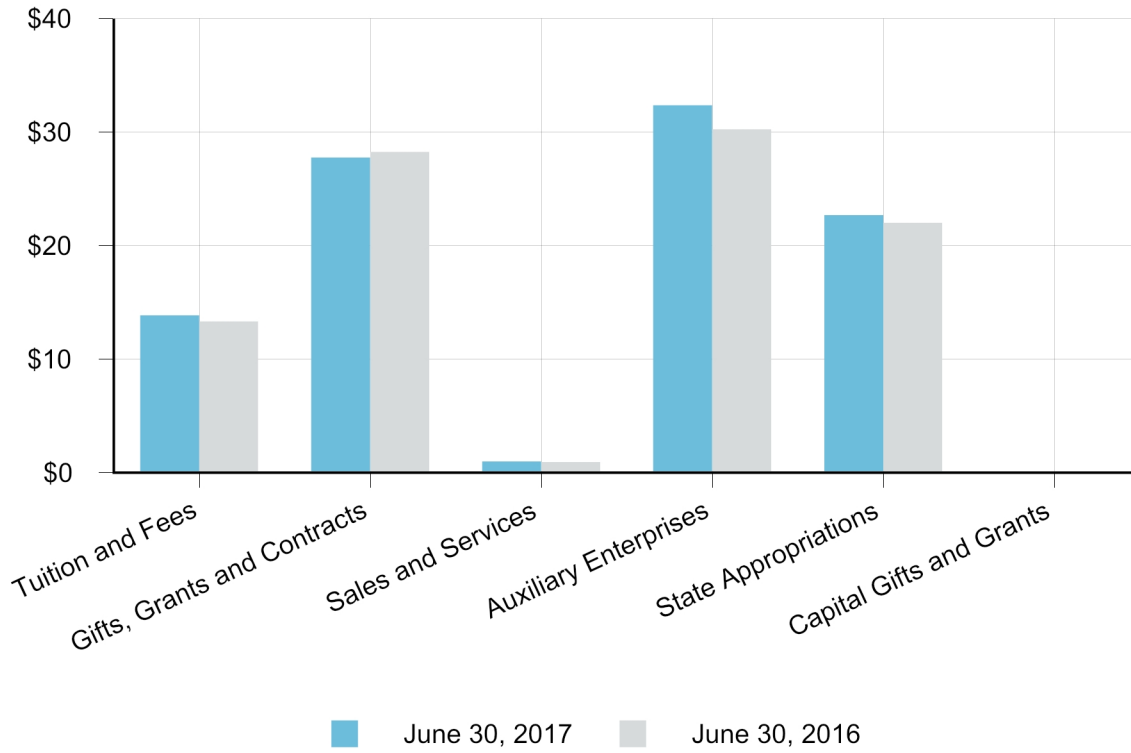
compared with fiscal 2016 due to enrollment increases and tuition and fee increases across the USG institutions as approved by the Board of Regents of the University System of Georgia.

Revenue by source is depicted by the following chart:



Revenue by major source for the years ended June 30, 2017 and June 30, 2016 is depicted by the following chart:

Revenue Source by Major Source (in millions)



Expenses

For the years ended June 30, 2017 and June 30, 2016, expenses by functional classification were as follows:

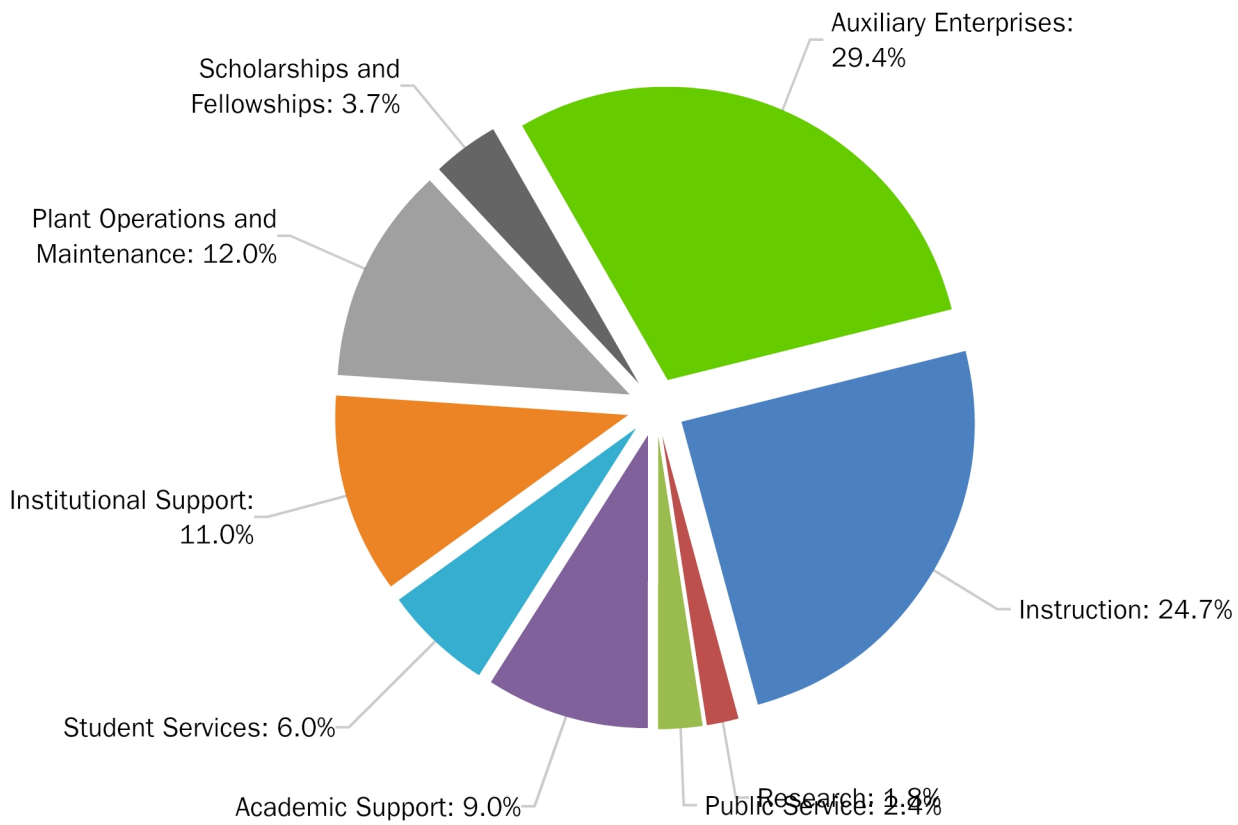
EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2017	June 30, 2016	Increase/ (Decrease)	% Change
Instruction	24,197,318	21,827,711	2,369,607	10.86%
Research	1,730,548	2,040,833	(310,285)	-15.20%
Public Service	2,393,786	2,144,652	249,134	11.62%
Academic Support	8,837,886	9,569,346	(731,460)	-7.64%
Student Services	5,905,649	5,554,193	351,456	6.33%
Institutional Support	10,801,141	9,658,044	1,143,097	11.84%
Plant Operations and Maintenance	11,725,400	10,669,477	1,055,923	9.90%
Scholarships and Fellowships	3,610,543	3,469,955	140,588	4.05%
Auxiliary Enterprises	28,811,209	28,166,394	644,815	2.29%
Patient Care	—	—	—	0.00%
Unallocated Expenses	—	—	—	0.00%
Total Operating Expenses	98,013,480	93,100,605	4,912,875	5.28%
Interest Expense	4,614,002	4,884,069	(270,067)	-5.53%
Total Nonoperating Expenses	25,754,187	25,688,288	65,899	0.26%
Total Expenses	123,767,667	118,788,893	4,978,774	4.19%

Total operating expenses were \$98,013,480 in fiscal 2017, an increase of \$4,912,875 or 5% when compared with fiscal 2016. These increases are primarily attributable to the following functional classifications: Instruction \$2,369,607; Research (\$310,000); Auxiliaries \$610,543; Academic Support (\$731,460); Student Services \$351,456; Institutional Support \$1,143,097, Scholarships and Fellowships \$140,588; and Plant \$1,090,195.

As noted above, expenses increased \$4,912,875 or 5% in fiscal 2017 when compared with fiscal 2016. The increases were substantially attributable to salaries and benefits, and scholarships and fellowships.

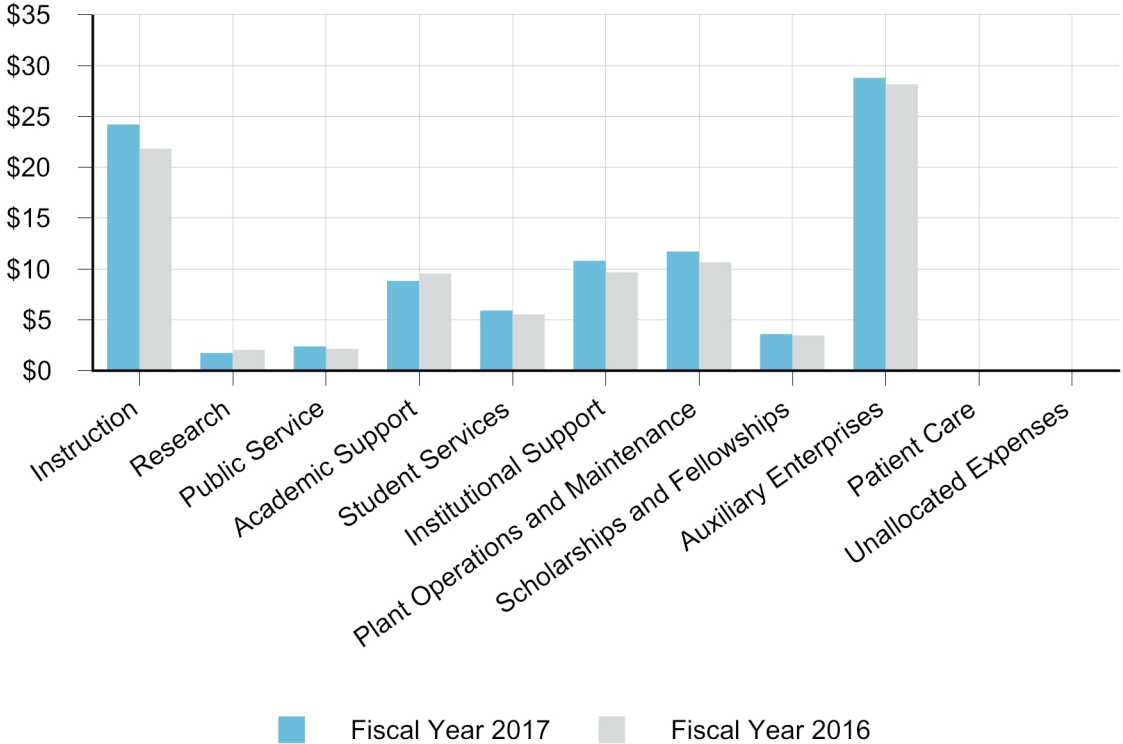
The following chart depicts the fiscal 2017 operating expenses by functional classification.

Operating Expenses by Functional Classification



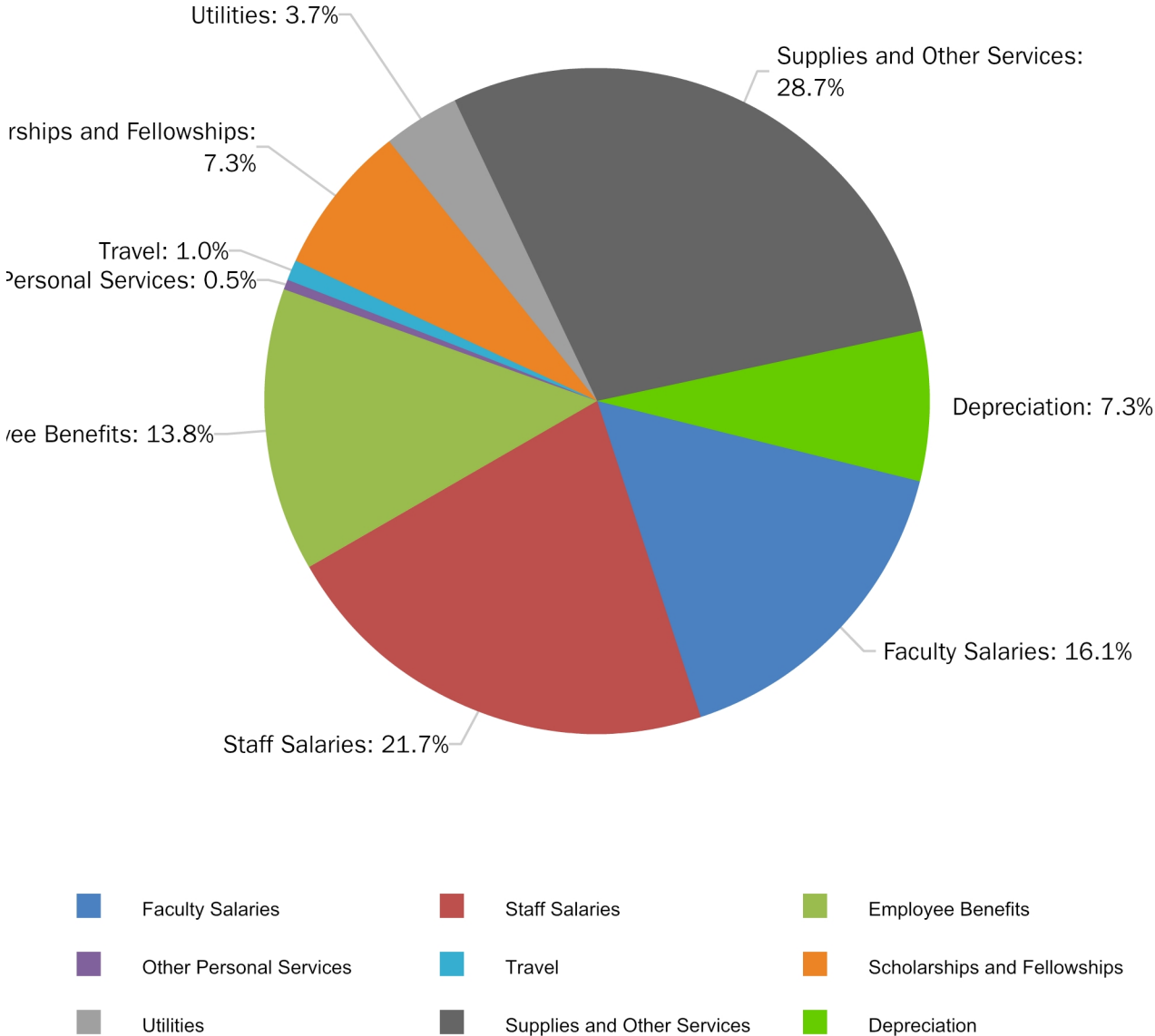
Operating expenses by by functional classification for the years ended June 30, 2017 and June 30, 2016 is depicted by the following chart:

Operating Expenses by Functional Classification (in millions)



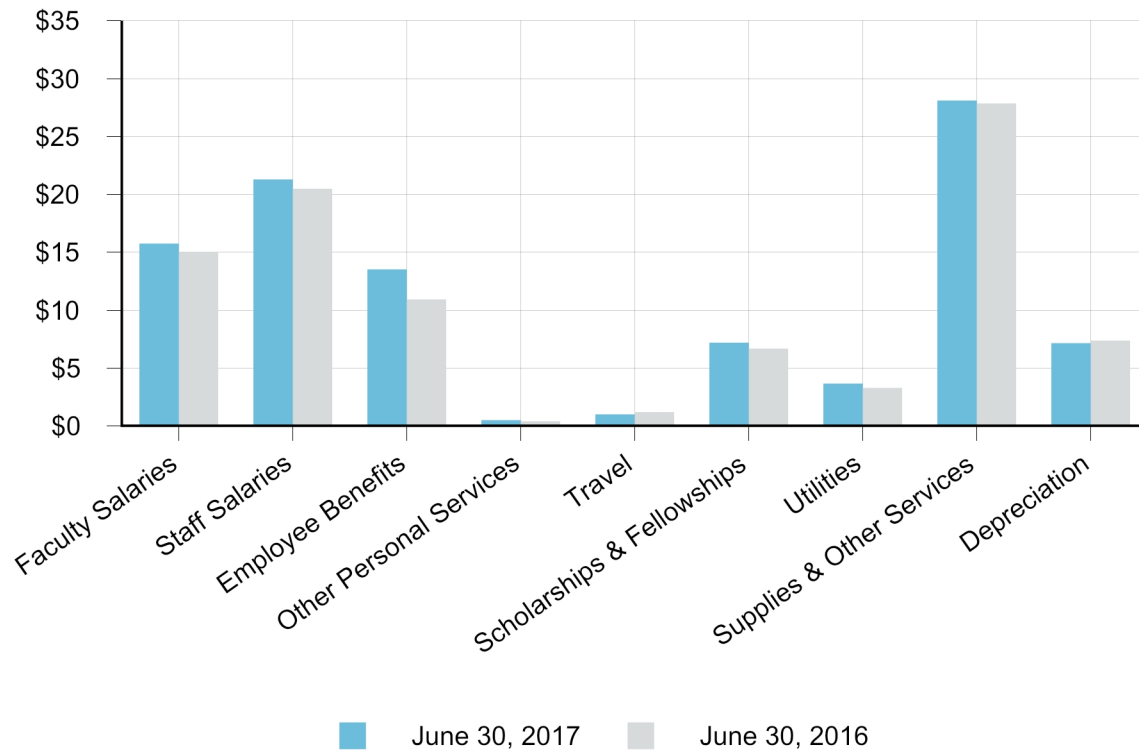
The following chart depicts the fiscal 2016 operating expenses by natural classification.

Operating Expenses by Natural Classification



Operating expenses by by natural classification for the years ended June 30, 2017 and June 30, 2016 is depicted by the following chart:

Operating Expenses by Natural Classification (in millions)



Statement of Cash Flows

The final statement presented by the Savannah State University is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the year. Cash flow information can be used to evaluate the financial viability of the University's ability to meet financial obligations as they mature. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2017 and 2016, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2017	June 30, 2016
Cash Provided (Used) by:		
Operating Activities	\$ (29,078,474)	\$ (33,259,785)
Non-Capital Financing Activities	40,834,882	39,361,920
Capital and Related Financing Activities	(9,995,075)	(9,034,014)
Investing Activities	7,543	60,945
NET CHANGE IN CHASH	\$ 1,768,876	\$ (2,870,934)
Cash, beginning of year (restated)	3,153,218	6,024,152
CASH, end of year	\$ 4,922,094	\$ 3,153,218

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2017 and June 30, 2016 were as follows:

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2017	June 30, 2016	Increase (Decrease)	% Change
Land	\$ 1,240,219	\$ 1,240,219	\$ —	0.00 %
Capitalized Collections	—	—	—	0.00 %
Construction Work-in-Progress	1,597,078	1,339,731	257,347	19.21 %
Software Development-in-Progress	—	—	—	0.00 %
Infrastructure	—	—	—	0.00 %
Building and Building Improvements	129,826,661	133,535,788	(3,709,127)	-2.78 %
Facilities and Other Improvements	1,881,995	2,007,909	(125,914)	-6.27 %
Equipment	3,808,230	3,303,955	504,275	15.26 %
Capital Leases	—	—	—	0.00 %
Library Collections	1,065,931	1,114,671	(48,740)	-4.37 %
Capitalized Collections	32,906	34,288	(1,382)	-4.03 %
Water, Timber, Mineral Rights, and Easements	—	—	—	0.00 %
Patents, Trademarks, and Copyrights	—	—	—	0.00 %
Software	—	—	—	0.00 %
Capital Assets, net of accumulated depreciation	\$ 139,453,020	\$ 142,576,561	\$ (3,123,541)	(2.19) %

The University had two major capital asset renovations for buildings in fiscal year 2017. The Whiting Hall major renovation was completed to accommodate the University's planned space utilization as laid out in the Strategic Plan. The total costs of renovation was \$1,507,217. The other major renovation completed was the Kennedy Fine Arts that was done at a cost of \$1,010,482. Both of these projects were completed and removed from Construction in Progress during the fiscal year. Construction in Progress still to be completed consists of the Thompkins Road Major Renovation, Jasmine Major Renovation, Cafeteria Expansion and HVAC System, King Frazier Roof Replacement, Library Air Chiller, Whiting Hall Air Chiller, Hubert D Roof Replacement, and Colston Air Handler Replacement.

Savannah State University also expended \$360,238 to replace musical equipment destroyed in the Kennedy fire, \$ 209,189 on instructional equipment, \$167,672 on information technology, \$167,701 on library additions, \$82,802 on general equipment, \$55,817 on golf carts or ATV vehicles, and \$6,477 for one used motor vehicle.

For additional information concerning Capital Assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

Long Term Liabilities

Savannah State University had Long-Term Liabilities of \$97,843,383 of which \$2,527,547 was reflected as current liability at June 30, 2017.

For additional information concerning Long-Term Liabilities, see Note 8 in the Notes to the Financial Statements.

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

Economic Outlook

The University is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations. The University's overall financial position is good. Even with a relatively flat funded year, the University was able to maintain sufficient liquidity to meet its debt and obligations. The decrease in Net Position is a direct result of a combination of factors to include depreciation expense, which is a non-cash item. Therefore, this reflects the University's ability to utilize its resources to support its overall mission. The University anticipates the current fiscal year will be better than the last in that there is no more debt planned in the immediate future and current enrollment indications are that the University will continue the trend of the last decade and will exceed budget expectations. Savannah State University's financial team will continue to maintain a close watch over resources to sustain the University's ability to react to unknown internal and external issues.

FINANCIAL STATEMENTS



SAVANNAH STATE UNIVERSITY

**SAVANNAH STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2017**

Savannah State University

ASSETS

Current Assets

Cash and Cash Equivalents	\$	4,807,172
Short-term Investments		408,276
Accounts Receivable, net		
Federal Financial Assistance		1,931,509
State General Appropriations		—
Margin Allocation Funds		—
Affiliated Organizations		—
Component Units		—
Primary Government		—
Other		5,740,261
Notes Receivable, net		—
Due From Other Funds		—
Investment in Capital Leases - Primary Government		—
Investment in Capital Leases - Other		—
Inventories		83,196
Prepaid Items		135,155
Other Assets		—
Total Current Assets		<u>13,105,569</u>

Non-Current Assets

Cash and Cash Equivalents		114,922
Accounts Receivable, net		
Affiliated Organizations		—
Component Units		—
Primary Government		—
Due From USO - Capital Liability Reserve Fund		844,039
Due From Institution - Capital Liability Reserve Fund		—
Pledges & Contributions		—
Other		—
Investments		7,428,930
Notes Receivable, net		785,546
Due From Other Funds		—
Investment in Capital Leases - Primary Government		—
Investment in Capital Leases - Other		—
Other Assets		—
Non-current Cash (Externally Restricted)		—
Short-term Investments (Externally Restricted)		20,876
Investments (Externally Restricted)		—
Capital Assets, net		139,453,020
Total Non-Current Assets		<u>148,647,333</u>
TOTAL ASSETS		<u>161,752,902</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Loss on Debt Refunding		—
Deferred Loss on Defined Benefit Pension Plan		11,211,681
Accumulated Decrease in Fair Value of Hedging Instruments		—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	<u>11,211,681</u>

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

**SAVANNAH STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>Savannah State University</u>	
LIABILITIES		
Current Liabilities		
Accounts Payable	\$	1,039,457
Salaries Payable		312,936
Benefits Payable		96,820
Contracts Payable		—
Retainage Payable		87,952
Due to Affiliated Organizations		—
Due to Component Units		—
Due to Primary Government		—
Due to Other Funds		—
Due to USO - Capital Liability Reserve Fund		—
Advances (Including Tuition and Fees)		2,736,791
Deposits		—
Deposits Held for Other Organizations		2,012,631
Other Liabilities		1,574
Notes and Loans Payable		—
Lease Purchase Obligations - External		—
Lease Purchase Obligations - Component Units		2,337,164
Revenue Bonds & Notes Payable		—
Liabilities Under Split Interest Agreements		—
Interest Rate Swap		—
Pollution Remediation		—
Claims & Judgments		190,381
Compensated Absences		954,904
Total Current Liabilities		<u>9,770,610</u>
Non-Current Liabilities		
Due to Affiliated Organizations		—
Due to Component Units		—
Due to Primary Government		—
Due to Other Funds		—
Due to USO - Capital Liability Reserve Fund		—
Due to USO - Capital Liability Reserve Fund		—
Advances (Including Tuition and Fees)		—
Other Liabilities		—
Notes and Loans Payable		—
Lease Purchase Obligations - External		—
Lease Purchase Obligations - Component Units		95,125,460
Revenue Bonds & Notes Payable		—
Liabilities Under Split Interest Agreements		—
Interest Rate Swap		—
Pollution Remediation		—
Claims & Judgments		190,381
Compensated Absences		1,095,572
Other Post Employment Benefits Obligation		—
Net Pension Liability		39,529,835
Total Non-Current Liabilities		<u>135,941,248</u>
TOTAL LIABILITIES		<u>145,711,858</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Debt Refunding		4,202,714

Deferred Funds Received in Advance of Timing Requirements	—
Deferred Service Concession Arrangements	—
Deferred Gain on Defined Benefit Pension Plan	231,022
Accumulated Increase in Fair Value of Hedging Instruments	—
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,433,736</u>
NET POSITION	
Net Investment in Capital Assets	37,787,682
Restricted for:	
Nonexpendable	7,374,665
Expendable	1,030,718
Unrestricted	<u>(23,374,076)</u>
TOTAL NET POSITION	<u>\$ 22,818,989</u>

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

SAVANNAH STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017

	<u>Savannah State University</u>	
OPERATING REVENUES		
Student Tuition and Fees (net)	\$	13,851,127
Federal Appropriations		—
Grants and Contracts		
Federal		9,310,329
State		62,967
Other		412,362
Sales and Services		983,692
Rents and Royalties		51,235
Auxiliary Enterprises		
Residence Halls		15,593,215
Bookstore		238,416
Food Services		10,783,685
Parking/Transportation		983,659
Health Services		629,413
Intercollegiate Athletics		4,046,258
Other Organizations		106,440
Gifts and Contributions		
Endowment Income		—
Other Operating Revenues		1,577,820
		<hr/>
Total Operating Revenues		58,630,618
		<hr/>
OPERATING EXPENSES		
Faculty Salaries		15,744,287
Staff Salaries		21,293,353
Employee Benefits		13,499,763
Other Personal Services		475,132
Travel		974,230
Scholarships and Fellowships		7,174,074
Utilities		3,636,160
Supplies and Other Services		28,088,126
Depreciation		7,128,355
		<hr/>
Total Operating Expenses		98,013,480
		<hr/>
Operating Income (Loss)	\$	(39,382,862)
		<hr/>

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

SAVANNAH STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2017

	Savannah State University
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	\$ 22,703,668
Grants and Contracts	
Federal	16,847,003
State	—
Other	—
Gifts	1,111,705
Investment Income	705,048
Interest Expense	(4,614,002)
Other Nonoperating Revenues (Expenses)	134,228
	<hr/>
Net Nonoperating Revenues	36,887,650
	<hr/>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(2,495,212)
	<hr/>
Capital Grants and Gifts	
Federal	—
State	—
Other	75,000
Additions to Permanent and Term Endowments	—
Special Item	—
Extraordinary Item	—
	<hr/>
Total Other Revenues, Expenses, Gains or Losses	75,000
	<hr/>
Change in Net Position	(2,420,212)
	<hr/>
Net Position, Beginning of Year, As Originally Reported	25,239,201
Prior Year Adjustments	—
Net Position, Beginning of Year, Restated	25,239,201
	<hr/>
Net Position-End of Year	\$ 22,818,989
	<hr/> <hr/>

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

**SAVANNAH STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	Savannah State University
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 48,688,893
Federal Appropriations	—
Grants and Contracts (Exchange)	10,674,383
Payments to Suppliers	(43,625,626)
Payments to Employees	(37,642,783)
Payments for Scholarships and Fellowships	(7,174,073)
Loans Issued to Students	—
Collection of Loans from Students	732
Other Receipts	—
Other Payments	—
Net Cash Used by Operating Activities	<u>(29,078,474)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	22,703,668
Agency Funds Transactions - Receipts	172,507
Agency Funds Transactions - Disbursements	—
Gifts and Grants Received for Other Than Capital Purposes	17,958,707
Transfer of Endowments to Affiliated Organization	—
Other Noncapital Financing Receipts	—
Other Noncapital Financing Payments	—
Net Cash Flows Provided by Non-capital Financing Activities	<u>40,834,882</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	861,233
Proceeds from Sale of Capital Assets	190,947
Purchases of Capital Assets	(3,945,024)
Principal Paid on Capital Debt and Leases	(2,111,852)
Interest Paid on Capital Debt and Leases	(4,990,379)
Net Cash Used by Capital and Related Financing Activities	<u>(9,995,075)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	—
Investment Income	325,255
Purchase of Investments	(317,712)
Net Cash Provided by Investing Activities	<u>7,543</u>
Net Increase in Cash and Cash Equivalents	1,768,876
Cash and Cash Equivalents, Beginning of year	<u>3,153,218</u>
Cash and Cash Equivalents - End of Year	<u>\$ 4,922,094</u>

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

Extinguishment of Capital Debt	\$ —
Adjustments to Capital Debt Beginning Balance Ran Through Current Year Activity	\$ —
Recognition of Capital Financing Activities Advances and Deferred Inflows	\$ —
Amortization of Deferred Gain/Loss of Capital Debt Refunded	\$ 135,571
Accrual of Capital Financing Interest Payable	\$ 240,806
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Edit Description Other Capital Financing Activities Noncash Items	\$ —
Unrealized Gain/Loss on Investments	\$ 379,793
Gift of Investments	\$ —
Edit Description Other Investing Activities Noncash Items	\$ —
Edit Description Other Investing Activities Noncash Items	\$ —
Edit Description Other Investing Activities Noncash Items	\$ —

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

NOTES TO THE FINANCIAL STATEMENTS



SAVANNAH STATE UNIVERSITY

SAVANNAH STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

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

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

The accompanying basic financial statements are intended to supplement the State's Comprehensive Annual Financial Report (CAFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the University. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2017, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's CAFR. The most recent State of Georgia CAFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at sao.georgia.gov/comprehensive-annual-financial-reports.

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the GASB and are presented as required by these standards to provide a comprehensive, entity-wide perspective of the University's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

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

New Accounting Pronouncements

For fiscal year 2017, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 82, Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73. This Statement addresses accounting and financial reporting issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

For fiscal year 2017, the University's adopted Governmental Accounting Standards Board (GASB) Statement No. 80, Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The adoption of this Statement does not have a significant impact on the University's financial statements.

For fiscal year 2017, the University adopted GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. The adoption of this Statement does not have a significant impact on the University's financial statements.

For fiscal year 2017, the University adopted GASB Statement No. 77, Tax Abatement Disclosures. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The adoption of this Statement does not have a significant impact on the University's financial statements.

For fiscal year 2017, the University adopted GASB Statement No. 74, Financial Reporting for Post employment Benefit Plans Other Than Pension Plans. This Statement replaces Statements No. 43, Financial Reporting for Post employment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution other post employment benefit (OPEB) plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The objective of this Statement is to improve the usefulness of information about post-employment benefits other than pensions. The adoption of this Statement does not have a significant impact on the University's financial statements.

Future Accounting Pronouncements

In fiscal year 2018, the University will adopt Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post employment Benefits Other Than Pensions. The provisions of this Statement establish accounting and financial reporting standards for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. Implementation of this Statement will require the University to record a liability for its proportionate share of the OPEB Liability of plans in which it participates. Actuarial estimates are currently being made to determine the University's liability, the effects of which are believed to be material.

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 (Ga Fund 1) 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 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 Position. The Board of Regents Legal Fund, the Board of Regents Balanced Income Fund, the Board of Regents Total Return Fund, the Board of Regents Diversified Fund, the Board of Regents Diversified Fund for Foundations and the Georgia Extended Asset Pool are included as 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 federal, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

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

Non-current Cash and Investments

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

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2017 are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and/or significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

To fully understand plant additions in the University, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to the 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, GSFIC retains construction in progress in its accounting records throughout the construction period and transfers the entire project to the institutional unit of the University System when complete. For projects managed by institutions of the USG, the institutions retain construction in progress on their books and are reimbursed by GSFIC.

Capital Liability Reserve Fund

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

Deferred Outflows of Resources

Deferred outflows of resources consist of the consumption of net assets by an institution that are applicable to a future reporting period.

Deposits

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

Advances

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

Deposits Held for Other Organizations

Deposits held for other organizations result primarily from the University acting as an agent or fiduciary, for another entity. Deposits held for others include scholarships, fellowships, study abroad deposits and other funds held for various governments, companies, clubs or individuals.

Claims and Judgments:

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

Pollution Remediation Obligations:

Pollution remediation obligations are recorded when the University knows that a site is polluted and one or more obligating events have occurred. The amount recorded is an estimate of the current value of potential outlays for cleanup, calculated using the "expected cash flows" measurement technique.

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

Deferred inflows of resources consist of the acquisition of net assets by an institution that are applicable to a future reporting period.

Pensions and Net Pension Liability

The net pension liability represents the unfunded pension liability which is the difference between the total pension liability as a result of the exchange for employee services for compensation and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

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

Service Concession Arrangements

Service concession agreements are arrangements between a government (transferor, one of our institutions) and a third party (operator) in which all of the following criteria are met:

- a) The institution conveys to the operator the right and obligation to provide public services through the use and operation of a capital asset in exchange for significant consideration. Significant consideration could be in the form of up - front payments, installment payments, a new facility or improvements to existing facility.
- b) The operator collects and is compensated by fees from third parties.
- c) The institution has the ability to modify or approve what services the operator is required to provide, to whom services are provided, and prices or rates that can be charged for those services.
- d) The institution is entitled to significant residual interest in the service utility of the asset at the end of the arrangement.

Net Position

The University's net position is classified as follows:

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

Restricted - nonexpendable net position includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be

maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation. Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. Each institution maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

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

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

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

Income Taxes

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

Classification of Revenues and Expenses

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

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.
- 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 expense includes activities that have the characteristics of exchange transactions.
- 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 Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees

and other student charges, the University has recorded contra revenue for scholarship allowances. Student tuition and fees and auxiliary revenues reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$19,602,904 and \$124,234, respectively.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2017 are classified in the accompanying statement of net position as follows:

Cash & Cash Equivalents	\$	4,807,172
Short-Term Investments		408,276
Investments		—
Non Current - Cash		114,922
Non Current - Investments		7,428,930
Cash (Externally Restricted)		—
Short Term Investments (Externally Restricted)		20,876
Investments (Externally Restricted)		—
	\$	<u>12,780,176</u>

Cash on hand, deposits and investments as of June 30, 2017 consist of the following:

Cash on Hand	\$	2,080
Deposits with Financial Institutions		5,349,166
Investments		7,428,930
Pooled Assets Held on Behalf of Component Units		—
	\$	<u>12,780,176</u>

A. Deposits with Financial Institutions

Deposits include certificates of deposits and demand deposit accounts, including certain interest bearing demand deposit accounts. The custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the University) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated 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, 2017, the bank balances of the University's deposits totaled \$ 6,844,599. Of these deposits, \$182,033 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	—
Uninsured and collateralized with securities held by the pledging financial institution		—
Uninsured and collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the Institution's name		182,033
		<hr/>
Total deposits exposed to custodial credit risk	\$	<u>182,033</u>

B. Investments

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

The University has adopted GASB Statement No. 72, Fair Value Measurements and Application, which requires fair value measurement be classified and disclosed in one of the following three categories ("Fair Value Hierarchy"):

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investments.

The following table summarizes the valuation of the University's investments measured at fair value on a recurring basis and at net asset value as of June 30, 2017.

Investment type:	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Debt Securities				
U.S. Treasuries	\$ —			
U.S. Agencies				
Explicitly Guaranteed				
Implicitly Guaranteed				
Bond Securities				
Corporate Debt				
General Obligation Bonds				
Money Market Mutual Funds				
Municipal Obligations				
Mutual Bond Funds				
Repurchase Agreements				
Other Investments				
Cash Surrender Value				
Equity Mutual Funds - Domestic				
Equity Mutual Funds - International				
Equity Securities - Domestic				
Equity Securities - International				
Real Estate Held for Investment Purposes				
Real Estate Investment Trusts				
Other				
		\$ —	\$ —	\$ —
Investment Pools				
Board of Regents				
Short-Term Fund				
Legal Fund	834,178			
Balanced Income Fund	6,594,752			
Total Return Fund				
Diversified Fund				
Diversified Fund for Foundations				
Office of the State Treasurer				
Georgia Fund 1				
Georgia Extended Asset Pool				
Total Investments	\$ 7,428,930			

Investment Pools

The Board of Regents Investment Pool is not registered with the Securities and Exchange Commission as an investment company. The fair value of 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. Participation in the Board of Regents Investment Pool is voluntary. The Board of Regents Investment Pool is not rated. Additional information on the Board of Regents Investment Pool is disclosed in the audited Financial Statements of the University System of Georgia. This audit can be obtained from the Georgia Department of Audits - Education Audit Division or on their web site at <http://www.audits.ga.gov>.

The Effective Duration of the Legal Fund is 3.813 years. Of the University's total investment of \$834,174 in the Legal Fund, \$834,174 or 100% is invested in debt securities.

The Effective Duration of the Total Return Fund is 5.58 years. Of the University's total investment of \$6,594,752 in the Total Return Fund, \$2,176,268 or 33% is invested in debt securities.

Interest Rate Risk

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

	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
U.S. Treasuries	\$ —					
U.S. Agencies						
Explicitly Guaranteed	—					
Implicitly Guaranteed	—					
Bond Securities	—					
Corporate Debt	—					
General Obligation Bonds	—					
Money Market Mutual Funds	—					
Municipal Obligations	—					
Mutual Bond Funds	—					
Repurchase Agreements	—					
	—	\$ —	\$ —	\$ —	\$ —	\$ —
Other Investments						
Cash Surrender Value						
Equity Mutual Funds - Domestic						
Equity Mutual Funds - International						
Equity Securities - Domestic						
Equity Securities - International						
Real Estate Held for Investment Purposes						
Real Estate Investment Trusts						
Other						
Investment Pools						
Board of Regents						
Short-Term Fund						
Legal Fund	834,178					
Balanced Income Fund						
Total Return Fund	6,594,752					
Diversified Fund						
Diversified Fund For Foundations						
Office of the State Treasurer						
Georgia Fund 1						
Georgia Extended Asset Pool						
Total Investments	\$ 7,428,930					

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 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 does not have a formal policy for managing custodial credit risk for investments.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2017:

	<u>Business Type Activities</u>
Student Tuition and Fees	\$ 2,508,787
Auxiliary Enterprises and Other Operating Activities	1,786,429
Federal Financial Assistance	1,931,509
State General Appropriations Allotment	
Georgia Student Finance Commission	
Georgia State Financing and Investment Commission	59,929
Margin Allocation Funds	
Due from Affiliated Organizations	
Due from Component Units	
Due From Other USG Institutions	844,039
Other	2,453,260
	<u>9,583,953</u>
Less: Allowance for Doubtful Accounts	<u>1,068,144</u>
Net Accounts Receivable	<u>\$ 8,515,809</u>

Note 4 Inventories

Inventories consisted of the following at June 30, 2017:

Consumable Supplies	\$ 83,196
Merchandise for Resale	
	<u> </u>
Total	<u>\$ 83,196</u>

Note 5 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2017. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts canceled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off.

Note 6 Capital Assets

Changes in capital assets for the year ended June 30, 2017 are shown below:

	Beginning Balances July 1, 2016	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2017
Capital Assets, Not Being Depreciated:					
Land	\$ 1,240,219				\$ 1,240,219
Capitalized Collections	—				—
Construction Work-in-Progress	1,339,731		3,133,337	2,875,990	1,597,078
Software Development-in-Progress	—				—
Total Capital Assets Not Being Depreciated	2,579,950	—	3,133,337	2,875,990	2,837,297
Capital Assets, Being Depreciated/Amortized:					
Infrastructure	—				—
Building and Building Improvements	200,547,402		2,858,774	341,074	203,065,102
Facilities and Other Improvements	4,436,200				4,436,200
Equipment	9,535,232	1	1,313,841	742,473	10,106,601
Capital Leases (Do Not Use)	—				—
Library Collections	8,568,885		170,487	2,786	8,736,586
Capitalized Collections	55,285				55,285
Water, Timber, Mineral Rights, and Easements	—				—
Patents, Trademarks, and Copyrights	—				—
Software	—				—
Total Capital Assets Being Depreciated/Amortized	223,143,004	1	4,343,102	1,086,333	226,399,774
Less: Accumulated Depreciation/Amortization					
Infrastructure	—				—
Building and Building Improvements	67,011,614		6,608,049	381,222	73,238,441
Facilities and Other Improvements	2,428,291	1	132,020	6,107	2,554,205
Equipment	6,231,277		167,677	100,583	6,298,371
Capital Leases (Do Not Use)	—				—
Library Collections	7,454,214		219,227	2,786	7,670,655
Capitalized Collections	20,997		1,382		22,379
Water, Timber, Mineral Rights, and Easements	—				—
Patents, Trademarks, and Copyrights	—				—
Software	—				—
Total Accumulated Depreciation/Amortization	83,146,393	1	7,128,355	490,698	89,784,051
Total Capital Assets, Being Depreciated/Amortized, Net	139,996,611	—	(2,785,253)	595,635	136,615,723
Capital Assets, net	\$ 142,576,561	\$ —	\$ 348,084	\$ 3,471,625	\$ 139,453,020

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2017, GSFIC is managing the construction of the Marine Science and New Science & Tech Center, which have total expenditures of \$13,182,564. This number is expected to increase on a yearly basis as the projects go through the construction phases.

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

Fiscal Year	Depreciation Expense
2017	\$ 7,128,355
2016	\$ 7,356,724
2015	\$ 7,461,696

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2017:

	Current Liabilities	Non-Current Liabilities
Prepaid Tuition and Fees	\$ 226,285	
Research		
Other - Advances	2,510,506	
Totals	<u>\$ 2,736,791</u>	<u>\$ —</u>

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2017 was as follows:

	Beginning Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Current Portion
Lease Purchase Obligations	\$ 103,912,760	\$ —	\$ 6,450,136	\$ 97,462,624	\$ 2,337,164
Other Liabilities					
Compensated Absences	1,902,265	1,398,595	1,250,384	2,050,476	954,904
Net Pension Liability	28,629,659	10,900,176		39,529,835	
Notes and Loans Payable	—			—	
Claims and Judgments	—	380,762		380,762	190,381
Other Post Employment Benefits Obligation	—			—	
Pollution Remediation	—			—	
Total	<u>30,531,924</u>	<u>12,679,533</u>	<u>1,250,384</u>	<u>41,961,073</u>	<u>1,145,285</u>
Total Long-Term Obligations	<u>\$ 134,444,684</u>	<u>\$ 12,679,533</u>	<u>\$ 7,700,520</u>	<u>\$ 139,423,697</u>	<u>\$ 3,482,449</u>

Note 9 Service Concessions Arrangements

At June 30, 2017, the University had no service concession arrangements that met the materiality threshold for discrete financial reporting.

Note 10 Net Position

The breakdown of business type activity net position for the University fund at June 30, 2017 is as follows:

NET POSITION

Net Investment in Capital Assets	\$ 37,787,682
<hr/>	
Restricted for	
Nonexpendable	
Permanent Endowment	7,374,665
<hr/>	
Expendable	
Sponsored and Other Organized Activities	—
Federal Loans	816,780
Institutional Loans	23,876
Term Endowments	190,062
Quasi-Endowments	
Capital Projects	—
Sub-Total	1,030,718
<hr/>	
Unrestricted	
Auxiliary Enterprises Operations	(271,582)
Auxiliary Enterprises Renewals & Replacement Reserve	9,999,064
Reserve for Encumbrances	1,625,786
Reserve for Inventory	58,541
Capital Liability Reserve Fund	—
Health Insurance Reserve	—
Other Unrestricted	(34,785,885)
Sub-Total	(23,374,076)
<hr/>	
Total Net Position	\$ 22,818,989
<hr/> <hr/>	

Changes in Net Position for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
	<hr/>	<hr/>	<hr/>	<hr/>
Net Investments in Capital Assets	\$ 38,663,801	\$ 11,050,585	\$ 11,926,704	\$ 37,787,682
Restricted Net Position	7,801,760	26,707,661	26,104,038	8,405,383
Unrestricted Net Position	(21,226,360)	73,365,381	75,513,097	(23,374,076)
Total Net Position	\$ 25,239,201	\$ 111,123,627	\$ 113,543,839	\$ 22,818,989
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note 11 Endowments**Donor Restricted Endowments**

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

endowments. Current year net appreciation for the endowment accounts was \$703,045 and is reflected as Restricted for Non- Expendable on the Statement of Net position.

For endowment funds where the donor has not provided specific instructions, investment return of the University’s endowment funds is predicated on the total return concept. Annual payouts from the University’s endowment funds are based on a spending policy which limits spending between 3% and 5% of endowment principal market value. To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the University uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2017. In addition to these encumbrances, the University had other significant unearned outstanding construction or renovation contracts in the amount of \$0 executed as of June 30, 2017.

Note 13 Leases

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

Capital Leases

The University acquires certain real property and equipment through multi-year capital leases with varying terms and options. In accordance with O.C.G.A 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University’s principal and interest expenditures related to capital leases for fiscal year 2017 were \$2,111,852 and \$4,990,379, respectively. Interest rates range from 4.486% to 6.262%

The following is a summary of the carrying values of assets held under capital lease at June 30, 2017:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Capital Lease at June 30, 2017	Outstanding Balances per Lease Schedules at June 30, 2017
	(+)	0	(=)	
Leased Land & Land Improvements			\$ —	
Leased Work In-progress			—	
Leased Infrastructure			—	
Leased Equipment			—	
Leased Buildings & Building Improvements	110,333,789	29,935,731	80,398,058	97,462,624
Leased Facilities and Other Improvements			—	
Total Assets Held Under Capital Lease	\$ 110,333,789	\$ 29,935,731	\$ 80,398,058	\$ 97,462,624

generally contain provisions that, at the expiration date of the original term of the lease, the University has the option of renewing the lease on a year-to-year basis. Leases renewed yearly for a specified time period, i.e. lease expires at 12 months and must be renewed for the next year, may not meet the qualification as an operating lease. The University's operating lease expense for fiscal 2017 was \$431,852.

Future commitments for capital leases and for non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2017, are as follows:

	Real Property and Equipment	
	Capital Leases	Operating Leases
Year Ending June 30:		
2018	\$ 7,766,245	
2019	7,894,956	
2020	8,032,860	
2021	8,166,950	
2022	8,310,470	
2023 through 2027	43,910,520	
2028 through 2032	48,345,576	
2033 through 2037	24,669,192	
2038 through 2042	16,430,980	
2043 through 2047	—	
2048 through 2052	—	
2053 through 2057	—	
Total minimum lease payments	173,527,749	\$ —
Less: Interest	60,957,855	
Less: Executory costs	15,107,270	
Principal Outstanding	\$ 97,462,624	

Description	Gross Amount	Less: Accumulated Depreciation	Capital Assets Leased to Third Parties
	(+)	0	(=)
Land & Land Improvements			\$ —
Infrastructure			—
Equipment			—
Buildings & Building Improvements			—
Facilities and Other Improvements			—
Total	\$ —	\$ —	\$ —

The minimum future rentals on noncancelable leases at June 30, 2017 is as follows:

Fiscal Year Ended June 30		
2018	\$	—
2019		
2020		
2021		
2022		
2023 through 2027		
2028 through 2032		
2033 through 2037		
2038 through 2042		
2043 through 2047		
2048 through 2052		
2053 through 2057		
Total Minimum Commitments	\$	<u>—</u>

Note 14. Retirement Plans

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

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

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

Summary of Significant Accounting Policies

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

General Information about the Teachers Retirement System

Plan description

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

Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service,

multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2017. USGs contractually required contribution rate for the year ended June 30, 2017 was 14.27% of annual the University payroll. The University's contributions to TRS totaled \$3,084,334 for the year ended June 30, 2017.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. University's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017 was 24.69% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2017, the University reported a liability for its proportionate share of the net pension liability for TRS. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The University's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2016. At June 30, 2016, the University's TRS proportion was 0.191603%, which was an increase of 0.003547% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the University recognized pension expense of \$4,649,740 for TRS. At June 30, 2017, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflow of Resources	Deferred Inflows of Resources	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 588,888	\$ 195,475	\$ —	\$ —
Changes of assumptions	\$ 1,024,559	\$ —	\$ —	\$ —
Net difference between projected and actual earnings on pension plan investments	\$ 5,000,687	\$ —	\$ —	\$ —
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 1,513,213	\$ 35,547	\$ —	\$ —
Contributions subsequent to the measurement date	\$ 3,084,334	\$ —	\$ —	\$ —
Total	\$ 11,211,681	\$ 231,022	\$ —	\$ —

The University's contributions subsequent to the measurement date of \$3,084,334 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2018	\$ 1,182,764	\$ —
2019	\$ 1,182,762	\$ —
2020	\$ 3,301,375	\$ —
2021	\$ 2,129,891	\$ —
2022	\$ 99,533	\$ —
Thereafter	\$ —	\$ —

Actuarial assumptions

The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.75%
Salary increases	3.25% - 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post - retirement mortality rates were based on the RP - 2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. The RP - 2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for death after disability retirement. Rates of mortality in active service were based on the RP - 2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Employees' Retirement System

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

Asset class	TRS target allocation	ERS target allocation	Long-term expected real rate of return*
Fixed income	30.00%	30.00%	(0.50)%
Domestic large equities	39.80%	37.20%	9.00 %
Domestic mid equities	3.70%	3.40%	12.00 %
Domestic small equities	1.50%	1.40%	13.50 %
International developed market equities	19.40%	17.80%	8.00 %
International emerging market equities	5.60%	5.20%	12.00 %
Alternatives	—%	5.00%	10.50 %
Total	100.00%	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the University’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Teachers Retirement System:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$ 61,528,676	\$ 39,539,835	\$ 21,417,416

Pension plan fiduciary net position

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

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2017, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University and the covered employees made the required contributions of \$956,221 (\$956,221 (9.24%) and \$620,922 (\$620,922 (6%), respectively.

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

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2017, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set

aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

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

A self-insured program of professional liability for its employees was established by the Board of Regents of the University System of Georgia under powers authorized by the 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.

Note 16 Contingencies

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

Litigation, claims and assessments filed against the University, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

Note 17 Post-Employment Benefits Other Than Pension 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 that 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. Organizational units of the Board of Regents of the University System of Georgia pay the employer portion for group insurance for affected individuals. 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 employee.

The Board of Regents Retiree Health Benefit Plan is a single-employer, defined benefit plan. Financial statements and required supplementary information for the Plan are included in the publicly available Consolidated Annual Financial Report of the University System of Georgia. The Institution pays the employer portion of health insurance for its eligible retirees based on rates that are established annually by the Board of Regents for the upcoming plan year.

As of June 30, 2017, there were 252 employees who had retired or were disabled that were receiving these post-employment health and life insurance benefits. For the year ended June 30, 2017, the University recognized \$260,816 in expenses, which was net of \$194,770 of participant contributions.

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2017 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 14,119,102	\$ 2,183,617	\$ 5,563,212		\$ 134,259
Research	266,699	242,161	95,729		29,221
Public Service	79,239	913,524	274,812		53,217
Academic Support	1,249,758	3,436,358	1,386,712		168,705
Student Services	1,000	2,631,665	971,323	888	159,981
Institutional Support	28,489	3,998,331	2,296,716	208,689	154,791
Plant Operations and Maintenance	—	3,397,834	1,510,409	—	21,766
Scholarships and Fellowships	—				
Auxiliary Enterprises	—	4,489,863	1,400,850	265,555	252,290
Patient Care	—				
Unallocated Expenses	—				
Total Operating Expenses	\$ 15,744,287	\$ 21,293,353	\$ 13,499,763	\$ 475,132	\$ 974,230

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 389,994	\$ 62,927	\$ 1,551,559	\$ 192,648	\$ 24,197,318
Research	394,292	2,250	534,331	165,865	1,730,548
Public Service	137,337	5,640	921,323	8,694	2,393,786
Academic Support	34,645	—	2,238,283	323,425	8,837,886
Student Services	16,925	224,024	1,261,189	638,654	5,905,649
Institutional Support	224,334	80,180	3,712,436	97,175	10,801,141
Plant Operations and Maintenance	—	1,370,936	3,802,763	1,621,692	11,725,400
Scholarships and Fellowships	3,610,543				3,610,543
Auxiliary Enterprises	2,366,004	1,890,203	14,066,242	4,080,202	28,811,209
Patient Care					—
Unallocated Expenses					—
Total Operating Expenses	\$ 7,174,074	\$ 3,636,160	\$ 28,088,126	\$ 7,128,355	\$ 98,013,480

REQUIRED SUPPLEMENTARY INFORMATION



SAVANNAH STATE UNIVERSITY

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
Teachers' Retirement System	6/30/2017	\$ 3,084,334	\$ 3,084,334	\$ —	\$ 21,326,077	14.46%
	6/30/2016	\$ 3,002,678	\$ 3,002,678	\$ —	\$ 20,835,394	14.41%
	6/30/2015	\$ 2,593,064	\$ 2,593,064	\$ —	\$ 19,719,109	13.15%
	6/30/2014	\$ 2,212,636	\$ 2,212,636	\$ —	\$ 18,017,854	12.28%
	6/30/2013	\$ 2,052,066	\$ 2,052,066	\$ —	\$ 17,998,351	11.40%
	6/30/2012	\$ 1,759,365	\$ 1,759,365	\$ —	\$ 17,114,446	10.28%
	6/30/2011	\$ 1,720,598	\$ 1,720,598	\$ —	\$ 16,737,335	10.28%
	6/30/2010	\$ 1,523,853	\$ 1,523,853	\$ —	\$ 15,645,308	9.74%
	6/30/2009	\$ 1,397,171	\$ 1,397,171	\$ —	\$ 15,055,722	9.28%
	6/30/2008	\$ 1,286,574	\$ 1,286,574	\$ —	\$ 13,863,944	9.28%

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

	<u>Year Ended</u>	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System	6/30/2017	0.19%	\$ 39,529,835	\$ 20,835,394	189.72%	76.06%
	6/30/2016	0.19%	\$ 28,629,659	\$ 19,719,109	145.19%	81.44%
	6/30/2015	0.18%	\$ 22,509,556	\$ 18,017,854	124.93%	84.03%

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

**SAVANNAH STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

Changes of assumptions

Employees' Retirement System:

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

Teachers Retirement System:

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

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

SUPPLEMENTARY INFORMATION



SAVANNAH STATE UNIVERSITY

**SAVANNAH STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2017
(UNAUDITED)**

ASSETS

Cash and Cash Equivalents	\$	—
Investments		8,275.65
Accounts Receivable		
State Appropriation		—
Federal Financial Assistance		1,931,509.15
Other		4,689,075.99
Margin Allocation		—
Prepaid Expenditures		88,857.42
Inventories		83,196.15
Other Assets		—
		<hr/>
Total Assets	\$	<u>6,800,914.36</u>

LIABILITIES AND FUND EQUITY

Liabilities		
Cash Overdraft	\$	1,078,472.85
Contracts Payable		—
Accrued Payroll		246,530.64
Payroll Withholdings		—
Encumbrance Payable		1,137,433.08
Accounts Payable		269,599.15
Unearned Revenue		2,735,516.77
Funds Held for Others		—
Other Liabilities		160,135.49
		<hr/>
Total Liabilities		5,627,687.98
Fund Balances		
Reserved		
Capital Outlay		—
Department Sales and Services		33,418.65
Indirect Cost Recoveries		133,944.36
Technology Fees		194,746.27
Restricted/Sponsored Funds		—
Uncollectible Accounts Receivable		719,998.57
Inventories		58,540.79
Tuition Carry - Forward		22,788.08
Carry-Over "Per Governor's Office of Planning and Budget"		—
Early Retirement Program		—
Unreserved		
Surplus		9,789.66
		<hr/>
Total Fund Balances		<u>1,173,226.38</u>
		<hr/>
Total Liabilities and Fund Balances	\$	<u>6,800,914.36</u>

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

**SAVANNAH STATE UNIVERSITY
SUMMARY BUDGET COMPARISON AND SURPLUS ANALYSIS REPORT (NON-GAAP BASIS)
BUDGET FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	FINAL BUDGET	ACTUAL	VARIANCE
<u>REVENUES</u>			
State Appropriations	22,776,862.00	22,776,862.00	—
Other Funds	65,303,703.00	57,238,398.91	(8,065,304.09)
Total Revenue	<u>88,080,565.00</u>	<u>80,015,260.91</u>	<u>(8,065,304.09)</u>
<u>ADJUSTMENTS AND PROGRAM TRANSFERS</u>			
		—	—
<u>CARRY-OVER FROM PRIOR YEARS</u>			
Transfers from Reserved Fund Balance	—	651,325.64	651,325.64
Total Funds Available	<u>88,080,565.00</u>	<u>80,666,586.55</u>	<u>(7,413,978.45)</u>
<u>EXPENDITURES</u>			
Public Service/Special Funding Initiative	—	—	—
Teaching	88,080,565.00	80,074,482.83	8,006,082.17
Total Expenditures	<u>88,080,565.00</u>	<u>80,074,482.83</u>	<u>8,006,082.17</u>
Excess of Funds Available over Expenditures		<u>592,103.72</u>	
<u>FUND BALANCE JULY 1</u>			
Reserved		1,430,201.24	
Unreserved		73,194.19	
<u>ADJUSTMENTS</u>			
Prior Year Payables/Expenditures		(197,752.94)	
Prior Year Receivables/Revenues		—	
Increase (Decrease) in Inventories		—	
Other Additions (Deletions)		—	
Unreserved Fund Balance (Surplus) Returned to Board of Regents - University System Office			
Year Ended June 30, 2016		(73,194.19)	
Early Return of Surplus in Fiscal Year 2017		—	
Prior Year Reserved Fund Balance Included in Funds Available		<u>(651,325.64)</u>	
<u>ENDING FUND BALANCE JUNE 30</u>		<u>1,173,226.38</u>	
<u>SUMMARY OF FUND BALANCE</u>			
Reserved			
Capital Outlay		—	
Department Sales & Services		33,418.65	
Early Retirement Program		—	
Indirect Cost Recovery		133,944.36	
Inventories		58,540.79	
Technology Fees		194,746.27	
Restricted/Sponsored Funds		—	
Uncollectible Accounts Receivable		719,998.57	
Tuition Carry - Forward		22,788.08	
Property Reserves		—	
Total Reserved		<u>1,163,436.72</u>	
Unreserved			
Surplus		<u>9,789.66</u>	
Total Fund Balance		<u>1,173,226.38</u>	

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

SAVANNAH STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	—	—	—	—	—
Tobacco Funds	—	—	—	—	—
State Funds - Prior Year Carry-Over					
Total Public Service / Special Funding Initiatives	—	—	—	—	—
Teaching					
State Appropriation					
State General Funds	22,776,862.00	22,776,862.00	22,776,862.00	22,776,862.00	—
Other Funds	62,230,133.00	62,230,133.00	65,303,703.00	57,238,398.91	651,325.64
Total Teaching	85,006,995.00	85,006,995.00	88,080,565.00	80,015,260.91	651,325.64
Total Operating Activity	85,006,995.00	85,006,995.00	88,080,565.00	80,015,260.91	651,325.64

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

SAVANNAH STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—	—	—	—	—	—
Tobacco Funds	—	—	—	—	—	—
State Funds - Prior Year Carry-Over						
Total Public Service / Special Funding Initiatives	—	—	—	—	—	—
Teaching						
State Appropriation						
State General Funds	—	22,776,862.00	—	22,643,451.00	133,411.00	133,411.00
Other Funds	—	57,889,724.55	(7,413,978.45)	57,431,031.83	7,872,671.17	458,692.72
Total Teaching	—	80,666,586.55	(7,413,978.45)	80,074,482.83	8,006,082.17	592,103.72
Total Operating Activity	—	80,666,586.55	(7,413,978.45)	80,074,482.83	8,006,082.17	592,103.72

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

**SAVANNAH STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2016 Surplus	Prior Year Adjustments	Other Adjustments
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	—	—	—	—	—
Tobacco Funds	—	—	—	—	—
Other Funds	—	—	—	—	—
Total Public Service / Special Funding Initiatives	—	—	—	—	—
Teaching					
State Appropriation					
State General Funds	4,534.43	—	(4,534.43)	(133,411.00)	336.24
Other Funds	719,985.40	(651,325.64)	(68,659.76)	(64,341.94)	—
Total Teaching	724,519.83	(651,325.64)	(73,194.19)	(197,752.94)	336.24
Total Operating Activity	724,519.83	(651,325.64)	(73,194.19)	(197,752.94)	336.24
Prior Year Reserves					
Not Available for Expenditure					
Inventories	58,877.03				(336.24)
Uncollectible Accounts Receivable	719,998.57				—
Budget Unit Totals	1,503,395.43	(651,325.64)	(73,194.19)	(197,752.94)	—

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

**SAVANNAH STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Early Return of Fiscal Year 2017 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit)	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—	—	—	—	—	—
Tobacco Funds	—	—	—	—	—	—
Other Funds	—	—	—	—	—	—
Total Public Service / Special Funding Initiatives	—	—	—	—	—	—
Teaching						
State Appropriation						
State General Funds	—	133,411.00	336.24	—	336.24	336.24
Other Funds	—	458,692.72	394,350.78	384,897.36	9,453.42	394,350.78
Total Teaching	—	592,103.72	394,687.02	384,897.36	9,789.66	394,687.02
Total Operating Activity	—	592,103.72	394,687.02	384,897.36	9,789.66	394,687.02
Prior Year Reserves						
Not Available for Expenditure						
Inventories			58,540.79	58,540.79		58,540.79
Uncollectible Accounts Receivable			719,998.57	719,998.57		719,998.57
Budget Unit Totals	—	592,103.72	1,173,226.38	1,163,436.72	9,789.66	1,173,226.38
Capital Outlay				—	—	—
Departmental Sales and Services				33,418.65	—	33,418.65
Indirect Cost Recovery				133,944.36	—	133,944.36
Technology Fees				194,746.27	—	194,746.27
Restricted/Sponsored Funds				—	—	—
Property Reserves				—	—	—
Tuition Carry-Forward				22,788.08	—	22,788.08
Uncollectible Accounts Receivable				719,998.57	—	719,998.57
Inventories				58,540.79	—	58,540.79
Early Retirement Program				—	—	—
Surplus				—	9,789.66	9,789.66
				1,163,436.72	9,789.66	1,173,226.38

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



SAVANNAH STATE UNIVERSITY

3219 College Avenue
Savannah, GA 31404
912-358-4778

www.savannahstate.edu