SAVANNAH STATE UNIVERSITY
SAVANNAH, GEORGIA

MANAGEMENT REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2020

A Member Institution of the
University System of Georgia

SAVANNAH STATE UNIVERSITY

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SECTION I

FINANCIAL

DEPARTMENT OF AUDITS AND ACCOUNTS

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

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

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

Ladies and Gentlemen:

This Management Report contains information pertinent to Savannah State University's compliance with the requirements of the Southern Association of Colleges and Schools Commission on Colleges (COC) Standard 13.2 (Financial resources) as of and for the year ended June 30, 2020. Additionally, we audited Savannah State University's Federal Student Aid programs for the year ended June 30, 2020 to meet the requirements of COC Standard 13.6. Included in this report is a section on findings and other items for any matters that came to our attention during our engagement, including results of our audit of the Federal Student Aid programs. The other information contained in this report is the representation of management. Accordingly, we do not express an opinion or any form of assurance on it.

Additionally, we have performed certain procedures at Savannah State University to support our audit of the basic financial statements of the State of Georgia presented in the *State of Georgia Comprehensive Annual Financial Report* and the issuance of a *State of Georgia Single Audit Report* pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2020.

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

Respectfully,

Greg S. Griffin
State Auditor

September 29, 2020

SELECTED FINANCIAL INFORMATION

SAVANNAH STATE UNIVERSITY
STATEMENT OF NET POSITION - (GAAP BASIS)
JUNE 30, 2020

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	1,436,563
Cash and Cash Equivalents (Externally Restricted)		4,678,469
Accounts Receivable, Net		
Federal Financial Assistance		2,693,883
Other		1,886,258
Inventories		66,970
Prepaid Items		59,070
Total Current Assets		10,821,213
Noncurrent Assets		
Accounts Receivable, Net		
Due From USO - Capital Liability Reserve Fund		844,039
Notes Receivable, Net		666,706
Non-current Cash (Externally Restricted)		226,340
Short-term Investments (Externally Restricted)		41,891
Investments (Externally Restricted)		9,846,680
Capital Assets, Net		149,452,513
Total Noncurrent Assets		161,078,169
Total Assets		171,899,382
Deferred Outflows of Resources		13,849,303
LIABILITIES		
Current Liabilities		
Accounts Payable		2,850,888
Salaries Payable		172,123
Benefits Payable		145,394
Advances (Including Tuition and Fees)		2,753,938
Deposits Held for Other Organizations		11,194
Other Liabilities		2,337
Lease Purchase Obligations		3,023,126
Compensated Absences		1,185,984
Total Current Liabilities		10,144,984
Noncurrent Liabilities		
Lease Purchase Obligations		84,728,379
Compensated Absences		660,332
Net Other Post Employment Benefits Liability		47,574,532
Net Pension Liability		37,508,457
Total Noncurrent Liabilities		170,471,700
Total Liabilities		180,616,684
Deferred Inflows of Resources		17,736,357
NET POSITION		
Net Investment in Capital Assets		56,168,821
Restricted for:		
Nonexpendable		10,114,911
Expendable		3,203,831
Unrestricted (Deficit)		(82,091,919)
Total Net Position (Deficit)	$	(12,604,356)

SAVANNAH STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - (GAAP BASIS)
YEAR ENDED JUNE 30, 2020

EXHIBIT "B"

OPERATING REVENUES	
Student Tuition and Fees (Net of Scholarship Allowance)	$ 11,688,972
Grants and Contracts	
Federal	9,705,535
State	133,672
Other	1,594,915
Sales and Services	1,040,233
Rents and Royalties	28,663
Auxiliary Enterprises (Net of Scholarship Allowance)	
Residence Halls	10,412,337
Bookstore	117,113
Food Services	5,094,100
Parking /Transportation	480,371
Health Services	401,238
Intercollegiate Athletics	1,975,926
Other Organizations	42,005
Other Operating Revenues	(247,320)
Total Operating Revenues	42,467,760
OPERATING EXPENSES	
Faculty Salaries	13,526,005
Staff Salaries	17,463,908
Employee Benefits	15,641,127
Other Personal Services	168,305
Travel	321,326
Scholarships and Fellowships	9,525,102
Utilities	3,922,585
Supplies and Other Services	22,219,478
Depreciation	7,655,744
Total Operating Expenses	90,443,580
Operating Loss	(47,975,820)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	24,837,997
Grants and Contracts	
Federal	20,931,603
Other	1,294,950
Gifts	1,298,932
Investment Income (Endowments, Auxiliary and Other)	1,060,750
Interest Expense (Capital Assets)	(4,109,670)
Other Nonoperating Revenues (Expenses)	(547,185)
Net Nonoperating Revenues	44,767,377
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(3,208,443)
Capital Grants and Gifts	
State	3,654,576
Change in Net Position	446,133
Net Position - Beginning of Year (Restated)	(13,050,489)
Net Position - End of Year	$ (12,604,356)

SAVANNAH STATE UNIVERSITY
STATEMENT OF CASH FLOWS - (GAAP BASIS)
YEAR ENDED JUNE 30, 2020

EXHIBIT "C"

CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from Customers	$	32,511,683
Grants and Contracts (Exchange)		10,792,499
Payments to Suppliers		(37,520,128)
Payments to Employees		(31,397,661)
Payments for Scholarships and Fellowships		(9,525,102)
Collection of Loans to Students		27,324
Other Receipts		11,194
Net Cash Used by Operating Activities		(35,100,191)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State Appropriations		24,837,997
Gifts and Grants Received for Other than Capital Purposes		23,525,484
Net Cash Flows Provided by Non-Capital Financing Activities		48,363,481
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Gifts Received		3,283,825
Purchases of Capital Assets		(6,058,694)
Principal Paid on Capital Debt and Leases		(2,640,806)
Interest Paid on Capital Debt and Leases		(4,433,425)
Net Cash Used by Capital and Related Financing Activities		(9,849,100)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income		1,238,540
Purchase of Investments		(1,146,695)
Net Cash provided by Investing Activities		91,845
Net Increase in Cash and Cash Equivalents		3,506,035
Cash and Cash Equivalents - Beginning of Year (Restated)		2,835,337
Cash and Cash Equivalents - End of Year	$	6,341,372

SAVANNAH STATE UNIVERSITY
STATEMENT OF CASH FLOWS - (GAAP BASIS)
YEAR ENDED JUNE 30, 2020

EXHIBIT "C"

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	$	(47,975,820)
Adjustments to Reconcile Operating Loss to Net Cash		
Used by Operating Activities		
Depreciation		7,655,744
Change in Assets and Liabilities:		
Receivables, Net		403,024
Inventories		(93)
Prepaid Items		9,222
Notes Receivable, Net		27,324
Accounts Payable		1,040,793
Salaries Payable		(99,035)
Benefits Payable		47,745
Advances (Including Tuition and Fees)		(169,691)
Other Liabilities		51
Funds Held for Others		11,194
Compensated Absences		20,796
Pollution Remediation		(174,500)
Net Pension Liability		2,777,576
Other Post-Employment Benefit Liability		(2,364,521)
Change in Deferred Inflows/Outflows of Resources:		
Deferred Inflows of Resources		4,057,567
Deferred Outflows of Resources		(367,567)
Net Cash Used by Operating Activities	$	(35,100,191)
NONCASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Current Year Accruals Related to Capital Financing Activities	$	1,054,615
Loss on Disposal of Capital Assets	$	(547,186)
Deferred Gain on Capital Debt Refunds	$	2,170,746
Amortization of Deferred Gain of Capital Debt Refunded	$	298,987
Accrual of Capital Financing Interest Payable	$	201,159
Unrealized Loss on Investments	$	(177,790)

SAVANNAH STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION - (GAAP BASIS)
JUNE 30, 2020

EXHIBIT "D"

		CUSTODIAL FUNDS
ASSETS		
Accounts Receivable, Net		
Other	$	1,988,376
LIABILITIES		
Cash Overdraft		957,813
Accounts Payable		41,508
Deposits Held for Other Organizations		134,369
Total Liabilities		1,133,690
NET POSITION		
Restricted for:		
Individuals, Organizations, and Other Governments	$	854,686

SAVANNAH STATE UNIVERSITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - (GAAP BASIS)
YEAR ENDED JUNE 30, 2020

EXHIBIT "E"

		CUSTODIAL FUNDS
ADDITIONS		
Federal Financial Aid	$	27,478,282
State Financial Aid		4,855,546
Other Financial Aid		2,540,219
Clubs and Other Organizations Fund Raising		126,762
Total Additions		35,000,809
DEDUCTIONS		
Scholarships and Other Student Support		34,863,744
Student Organizations Support		141,373
Total Deductions		35,005,117
Change in Net Position		(4,308)
Net Position - Beginning of Year (Restated)		858,994
Net Position - End of Year	$	854,686

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

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

REPORTING ENTITY

As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, the 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 Institution does not have the right to sue/be sued without recourse to the State. The Institution'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 Institution is not legally separate from the State. Accordingly, the Institution 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 Institution. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2020, 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 PREPARATION

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 Institution's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

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

The Institution reports the following fiduciary fund:

Custodial funds – Accounts for activities resulting from the Institution acting as an agent or fiduciary for various governments, companies, clubs or individuals.

NEW ACCOUNTING PRONOUNCEMENTS

For fiscal year 2020, the Institution adopted GASB Statement No. 84, *Fiduciary Activities*. This Statement improves guidance regarding the identification and reporting of fiduciary activities. This Statement requires activity meeting certain criteria to be reported in a fiduciary fund within a statement of fiduciary net position and a statement of changes in fiduciary net position. The adoption of this statement resulted in the restatement of the July 1, 2019 fiduciary net position for custodial fiduciary funds.

For fiscal year 2020, the Institution adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The adoption of this Statement does not have a significant impact on the Institution's financial statements.

NET POSITION

The Institution's net position is classified as follows:

Net Investment in capital assets represents the Institution'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.

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 Institution 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 Institution, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

RESTATEMENT NOTE DISCLOSURE

The Institution made the following restatements related to business-type activities and fiduciary fund:

		Business-type Activities		Fiduciary Fund
Net position, Beginning of Year, As Originally Reported	$	(15,651,565)	$	-
Changes in accounting principles		-		858,994
Correction of Prior Year Errors		2,601,076		-
Net Position, Beginning of Year, Restated	$	(13,050,489)	$	858,994

Changes in Accounting Principles

The Institution made prior period adjustments due to the adoption of GASB No. 84, which required the restatement of the June 30, 2019 business type activities cash and cash equivalents and fiduciary fund net position. The result is an increase in fiduciary net position at July 1, 2019 of $858,994 reported on the Statement of Changes in Fiduciary Net Position and an increase in cash and cash equivalents at July 1, 2019 of $425,103 reported on the Statement of Cash Flows. This change is in accordance with generally accepted accounting principles.

Correction of Prior Year Errors

Business-type activity balances reported at June 30, 2019 were misstated across multiple account balances. Beginning net position has been increased by $2,601,076 to reflect correction of prior year amounts. This change is in accordance with generally accepted accounting principles.

NOTE 2: DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of June 30, 2020 are classified in the accompanying statement of net position as follows:

Statement of Net Position		
Current		
Cash and Cash Equivalents	$	478,750
Cash and Cash Equivalents (Externally Restricted)		4,678,469
Noncurrent		
Noncurrent Cash (Externally Restricted)		226,340
Noncurrent Short Term Investments (Externally Restricted)		41,891
Noncurrent Investments (Externally Restricted)		9,846,680
	$	15,272,130

Cash on hand, deposits and investments as of June 30, 2020 consist of the following:

Cash on Hand	$	2,190
Deposits with Financial Institutions		5,423,260
Investments		9,846,680
	$	15,272,130

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 Institution's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the Institution) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated (O.C.G.A.) § 50-17-59:

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.

2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.

3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.

4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.

5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.

6. Letters of credit issued by a Federal Home Loan Bank.

7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

The Institution participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered Deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased to amount of up to 125% if economic or financial conditions warrants. The program lists the type of eligible collateral. The OST approves authorized custodians.

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

At June 30, 2020, the bank balances of the Institution's deposits totaled $7,449,225. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the USG. None of these deposits were exposed to custodial credit risk.

INVESTMENTS

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

The following table summarizes the valuation of the Institution's investments measured at fair value on a recurring basis as of June 30, 2020.

		Fair Value
Investment Pools		
Board of Regents		
Legal Fund	$	898,750
Total Return Fund		8,947,930
Total Investments	$	9,846,680

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

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

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

1. Legal Fund
   The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides an opportunity for greater return and modest principal growth to the extent possible with the securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between five and ten years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the Institution's position in the Legal Fund at June 30, 2020 was $898,750, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.89 years.

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

   The equity allocation shall range between 60% and 80%, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short-term instruments. The market value of the Institution's position in the Total Return Fund at June 30, 2020 was $8,947,930, of which 30% is invested in debt securities. The Effective Duration of the Fund is 5.62 years.

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 Institution does not have a policy for managing interest rate risk for investments.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2020:

	Business-type Activities	Fiduciary Fund
Student Tuition and Fees	$ 1,756,715	$ 423
Auxiliary Enterprises and Other Operating Activities	1,659,935	-
Federal Financial Assistance	2,693,883	-
Georgia State Financing and Investment Commission	1,054,615	-
Due from Affiliated Organizations	860,539	-
Other	636,076	1,987,953
	8,661,763	1,988,376
Less Allowance for Doubtful Accounts	3,237,583	-
Net Accounts Receivable	$ 5,424,180	$ 1,988,376

NOTE 4: CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Capital Assets, Not Being Depreciated:				
Land	$ 1,240,219	$ -	$ -	$ 1,240,219
Construction Work-In-Progress	1,320,418	4,957,103	1,237,738	5,039,783
Total Capital Assets, Not Being Depreciated	2,560,637	4,957,103	1,237,738	6,280,002
Capital Assets, Being Depreciated:				
Infrastructure	925,236	-	-	925,236
Building and Building Improvements	228,984,544	326,550	-	229,311,094
Facilities and Other Improvements	4,436,200	-	-	4,436,200
Equipment	11,134,622	2,009,051	625,760	12,517,913
Library Collections	9,042,569	3,729	1,750	9,044,548
Capitalized Collections	55,285	-	-	55,285
Total Capital Assets Being Depreciated/Amortized	254,578,456	2,339,330	627,510	256,290,276
Less: Accumulated Depreciation:				
Infrastructure	47,188	33,309	-	80,497
Building and Building Improvements	88,404,085	6,461,848	-	94,865,933
Facilities and Other Improvements	2,767,902	70,950	-	2,838,852
Equipment	6,257,387	915,918	78,574	7,094,731
Library Collections	8,040,640	172,337	1,750	8,211,227
Capitalized Collections	25,143	1,382	-	26,525
Total Accumulated Depreciation	105,542,345	7,655,744	80,324	113,117,765
Total Capital Assets, Being Depreciated, Net	149,036,111	(5,316,414)	547,186	143,172,511
Capital Assets, Net	$ 151,596,748	$ (359,311)	$ 1,784,924	$ 149,452,513

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

Fiscal Year	Depreciation Expense
2020	$ 7,655,744
2019	$ 7,239,353
2018	$ 7,495,697

NOTE 5: ADVANCES (INCLUDING TUITION AND FEES)

Advances, including tuitions and fees consisted of the following at June 30, 2020:

	Current Liabilities
Prepaid Tuition and Fees	$ 304,550
Other - Advances	2,449,388
Total Advances	$ 2,753,938

NOTE 6: LONG-TERM LIABILITIES

Changes in long-term liability for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion
Leases					
Lease Obligations	$ 92,563,058	$ -	$ 4,811,553	$ 87,751,505	$ 3,023,126
Other Liabilities					
Compensated Absences	1,825,521	1,269,047	1,248,252	1,846,316	1,185,984
Pollution Remediation	174,500	-	174,500	-	-
Total	2,000,021	1,269,047	1,422,752	1,846,316	1,185,984
Total Long-Term Obligations	$ 94,563,079	$ 1,269,047	$ 6,234,305	$ 89,597,821	$ 4,209,110

NOTE 7: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2020 and June 30, 2019, consisted of the following:

	Fiscal Year 2020	Fiscal Year 2019
Deferred Outflows of Resources		
Deferred Loss on Defined Benefit Pension Plans (See Note 11)	$ 9,983,686	$ 7,924,861
Deferred Loss on OPEB Plan (See Note 14)	3,865,617	5,556,875
Total Deferred Outflows of Resources	$ 13,849,303	$ 13,481,736
Deferred Inflows of Resources		
Deferred Gain on Debt Refunding	$ 5,532,187	$ 3,660,427
Deferred Gain on Defined Benefit Pension Plans (See Note 11)	3,045,834	1,537,997
Deferred Gain on OPEB Plan (See Note 14)	9,158,336	6,608,606
Total Deferred Inflows of Resources	$ 17,736,357	$ 11,807,030

NOTE 8: NET POSITION

The breakdown of business-type activity net position for the Institution at June 30, 2020 is as follows:

Net Investment in Capital Assets	$ 56,168,821
Restricted for	
Nonexpendable	
Permanent Endowment	10,114,911
Expendable	
Sponsored and Other Organized Activities	2,324,362
Federal Loans	855,593
Institutional Loans	23,876
Sub-Total	3,203,831
Unrestricted	
Auxiliary Operations	19,036,662
Reserve for Encumbrances	7,987,258
Reserve for Inventory	58,552
Capital Liability Reserve Fund	844,039
Other Unrestricted	(110,018,430)
Sub-Total	(82,091,919)
Total Net Position	$ (12,604,356)

Changes in Net Position for the year ended June 30, 2020 are as follows:

	(Restated) Balances July 1, 2019	Additions	Reductions	Balances June 30, 2020
Net Investment in Capital Assets	$ 55,373,263	$ 10,870,248	$ 10,074,690	$ 56,168,821
Restricted Net Position	12,535,046	37,315,251	36,531,555	13,318,742
Unrestricted Net Position	(80,958,798)	58,231,317	59,364,438	(82,091,919)
Total Net Position	$ (13,050,489)	$ 106,416,816	$ 105,970,683	$ (12,604,356)

NOTE 9: ENDOWMENTS

DONOR RESTRICTED ENDOWMENTS

Investments of the Institution's endowment funds are pooled, unless required to be separately invested by the donor. For Institution 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 on endowment investments available for authorization for expenditure was $756,095 and is reflected as non-expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the Institution's endowment funds is predicated on the total return concept. Annual payouts from the Institution's endowment funds are based on a spending policy which limits spending between 3.0% and 6.0% of endowment principal market value. To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the Institution uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

For endowment funds where the donor has not provided specific instructions and the USG member institution has determined not to utilize the total return concept, investment return of the Institution's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure.

For the current year, the Institution did not incur investment losses that exceeded the related endowment's available accumulated income and net appreciation.

NOTE 10: LEASES

The Institution is obligated under various capital leases for the use of real property and equipment.

CAPITAL LEASES

The Institution 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 Institution. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The Institution's principal and interest payments related to capital leases for fiscal year 2020 were $2,640,806 and $4,433,425, respectively. Interest rates range from 4.284% to 6.292%.

The following is a summary of the carrying values of assets held under capital lease at June 30, 2020:

Description	Gross Amount	Accumulated Depreciation	Net Assets Held Under Capital Lease at June 30, 2020	Outstanding Balances per Lease Schedules at June 30, 2020
	(+)	(-)	(=)	
Buildings and Building Improvements	$ 110,333,789	$ 42,045,430	$ 68,288,359	$ 87,751,505

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

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal
Tiger Point	SSU Real Estate Foundation	$ 6,160,185	30 years	July 2011	June 2041	$ 5,376,728 (1)
Tiger Place	SSU Real Estate Foundation	8,182,797	30 years	July 2011	June 2041	7,134,605 (1)
Camillia Hubert	SSU Real Estate Foundation	4,821,572	30 years	July 2011	June 2041	4,208,591 (1)
University Commons	SSU Real Estate Venture	24,586,826	25 years	August 2009	June 2033	19,135,000 (1)
University Village	SSU Real Estate Venture	29,229,205	25 years	February 2008	June 2032	20,825,000 (1)
Sports Complex	SSU Real Estate Foundation	4,233,413	30 years	August 2012	June 2041	3,845,504 (1)
Student Building C	SSU Real Estate Foundation	15,369,019	30 years	December 2012	June 2041	13,984,220 (1)
Student Center/ Stadium	USG Foundation	17,750,772	30 years	July 2011	June 2041	13,241,857 (1)
Total Leases		$ 110,333,789				$ 87,751,505

(1) These capital leases are related party transactions.

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

FUTURE COMMITMENTS

Future commitments for capital leases having remaining terms in excess of one year as of June 30, 2020, are as follows:

	Capital Leases
Year Ending June 30:	
2021	$ 7,955,698
2022	8,099,328
2023	8,242,734
2024	8,394,894
2025	8,533,108
2026 - 2030	45,089,815
2031 - 2035	34,077,978
2036 - 2040	20,028,567
2041 - 2045	4,039,468
Total Minimum Lease Payments	$ 144,461,590
Less: Interest	45,708,345
Less: Executory Costs	11,001,740
Principal Outstanding	$ 87,751,505

NOTE 11: RETIREMENT PLANS

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

A. Teachers Retirement System of Georgia

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

Benefits Provided
TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2020. The Institution's contractually required contribution rate for the year ended June 30, 2020 was 21.14% of the Institution's annual payroll. The Institution's contributions to TRS totaled $4,069,094 for the year ended June 30, 2020.

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

At June 30, 2020, the Institution reported a liability for its proportionate share of the net pension liability for TRS. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The Institution's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2019. At June 30, 2019, the Institution's TRS proportion was 0.174436% which was a decrease of 0.012670% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Institution recognized pension expense of $6,295,682 for TRS. At June 30, 2020, the Institution reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,114,168	$ 11,120
Changes of assumptions	3,599,426	-
Net difference between projected and actual earnings on pension plan investments	-	893,191
Changes in proportion and differences between contributions and proportionate share of contributions	200,998	2,141,523
Contributions subsequent to the measurement date	4,069,094	-
Total	$ 9,983,686	$ 3,045,834

The Institution's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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
2021	$	1,626,411
2022	$	(235,971)
2023	$	694,775
2024	$	783,543

Actuarial assumptions: The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

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

Post-retirement mortality rates 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 requirements 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 the 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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014 with the exception of the long-term assumed rate of return.

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

Asset class	TRS Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	(0.10)%
Domestic large equities	51.00%	8.90%
Domestic small equities	1.50%	13.20%
International developed market equities	12.40%	8.90%
International emerging market equities	5.10%	10.90%
Total	100.00%	

* Rates shown are net of inflation

Discount rate: The discount rate used to measure the total TRS pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS 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.

Sensitivity of the Institution's proportionate share of the net pension liability to changes in the discount rate: The following presents the Institution's proportionate share of the net pension liability calculated using the discount rate, as well as what the Institution's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Teachers Retirement System:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 60,887,203	$ 37,508,457	$ 18,282,820

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

B. Defined Contribution Plan

Regents Retirement Plan

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

Funding Policy
The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2020, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The Institution and the covered employees made the required contributions of $716,628 (9.24%) and $465,344 (6.00%), respectively.

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

NOTE 12: 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 2020, 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 Institution’s participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents’ Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

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

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

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

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

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

NOTE 13: CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. This could result in refunds to the grantor agency for any 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 Institution, 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, 2020.

NOTE 14: POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, healthcare plan administered by the University System Office, an organizational unit of the USG. The Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2020, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

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

The Institution's membership in the Plan consisted of the following at June 30, 2020:

Active Employees	497
Retirees or Beneficiaries Receiving Benefits	157
Retirees Receiving Life Insurance Only	71
Total	725

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

The Institution pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2020 plan year, the employer rate was approximately 84% of the total health insurance cost for eligible retirees and the retiree rate was approximately 16%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for $25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2020, the Institution contributed $959,966 to the plan for current premiums or claims.

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

At June 30, 2020, the Institution reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2019. An expected total OPEB liability as of June 30, 2019 was determined using standard roll-forward techniques. The Institution's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2019. At June 30, 2019, the Institution's proportion was 1.063934%, which was a decrease of 0.068278% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Institution recognized OPEB expense of $2,836,432. At June 30, 2020 the Institution reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,638,663	$ 271,495
Changes of assumptions	-	5,344,449
Net difference between projected and actual earnings on OPEB plan investments	-	12,498
Changes in proportion and differences between contributions and proportionate share of contributions	266,988	3,529,894
Contributions subsequent to the measurement date	959,966	-
Total	$ 3,865,617	$ 9,158,336

The Institution's contributions subsequent to the measurement date of $959,966 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2021	$ (1,231,635)
2022	$ (1,231,635)
2023	$ (1,216,467)
2024	$ (923,762)
2025	$ (872,533)
Thereafter	$ (776,653)

Actuarial assumptions

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of May 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2019 3.50% from Bond Buyer GO 20 - Bond Municipal Bond Index Interest Rate as of 6/30/2018 3.87% from Bond Buyer GO 20 - Bond Municipal Bond Index Long-term Rate of Return 4.5% General Information 2.50% Salary Growth 4.00%
Mortality Rates	Healthy: Pub-2010 for General Employees and Teachers (as appropriate) headcount weighted projected with Scale MP-2018 Disabled: Pub-2010 Disabled Mortality for General Employees and Teachers (as appropriate) headcount weighted projected with Scale MP-2018.
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	6.9%
Medicare Eligible	4.5%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4.5%
Year Ultimate Trend is Reached	Fiscal Year 2031 for Pre-Medicare Eligible, Fiscal Year 2020
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019. All other assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which cover the five year period ending June 30, 2014.

Changes in Assumptions Since Prior Valuation

Expected claims costs were updated to reflect actual claims experience. Trend rate schedule was updated to reflect current estimates of the impact of the Excise Tax, due to the updated claims assumption. Mortality rates were changed from the RP-2014 White Collar Mortality Table with Generational Improvements by Scale MP-2014 to Pub-2010 for General Employees and Teachers (as appropriate) headcount weighted projected with MP-2018. Retirement rates were updated from the rates developed for the Teachers Retirement System to rates based on actual experience. The discount rate was updated from 3.87% to 3.50% as of June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	1.09%	70%
Equity Allocation	4.46%	30%

Discount rate

The Plan's projected fiduciary net position at the end of 2023 is $0, based on the valuation completed for the fiscal year ending June 30, 2019. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2023. Therefore, the long-term expected rate of return on Plan investments of 4.50% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2019. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 3.50% from the Bond Buyers GO 20-Bond Municipal Bond Index.

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

The following presents the Institution's proportionate share of the net OPEB liability, as well as what the Institution's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.50%) or 1% (4.50%) higher than the current discount rate (3.50%):

	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
Proportionate Share of the Net OPEB Liability	$ 56,314,880	$ 47,574,532	$ 40,287,954

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the Institution's proportionate share of the net OPEB liability, as well as what the Institution's proportionate shares of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 39,891,827	$ 47,574,532	$ 57,200,372
Pre-Medicare Eligible	5.9% decreasing to 3.5%	6.9% decreasing to 4.5%	7.93% decreasing to 5.5%
Medicare Eligible	3.5%	4.5%	5.5%

OPEB plan fiduciary net position:

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

SUPPLEMENTARY INFORMATION

SAVANNAH STATE UNIVERSITY
BALANCE SHEET (STATUTORY BASIS)
BUDGET FUND
JUNE 30, 2020

SCHEDULE "1"

ASSETS		
Cash and Cash Equivalents	$	5,789,962.85
Accounts Receivable		
Federal Financial Assistance		2,693,883.22
Other		7,381,250.86
Prepaid Expenditures		31,377.76
Inventories		61,354.33
Other Assets		633,828.00
Total Assets	$	16,591,657.02
LIABILITIES AND FUND EQUITY		
Liabilities		
Accrued Payroll	$	139,620.56
Encumbrances Payable		5,607,959.54
Accounts Payable		922,189.12
Unearned Revenue		2,753,938.38
Other Liabilities		9,590.91
Total Liabilities		9,433,298.51
Fund Balances		
Reserved		
Department Sales and Services		1,189,344.77
Indirect Cost Recoveries		607,426.83
Technology Fees		482,133.04
Restricted/Sponsored Funds		2,324,362.50
Uncollectible Accounts Receivable		1,470,802.69
Tuition Carry-Over		533,144.71
Inventories		58,551.74
Unreserved		
Surplus		492,592.23
Total Fund Balances		7,158,358.51
Total Liabilities and Fund Balances	$	16,591,657.02

Statutory Basis financial information was 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
(STATUTORY BASIS) BUDGET FUND
YEAR ENDED JUNE 30, 2020

	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over
Teaching				
State Appropriation				
State General Funds	$ 24,632,278.00	$ 24,846,184.00	$ 24,846,184.00	$ -
Federal Coronavirus Relief Funds	-	7,544,500.00	7,190,438.33	-
Other Funds	49,633,010.00	63,499,243.00	59,080,845.92	1,305,355.22
Total Operating Activity	$ 74,265,288.00	$ 95,889,927.00	$ 91,117,468.25	$ 1,305,355.22

Statutory Basis financial information was 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.

Funds Available Compared to Budget			Expenditures Compared to Budget		Excess of Funds Available Over Expenditures
Program Transfers or Adjustments	Total Funds Available	Variance (Negative)	Actual	Variance Positive	
$ -	$ 24,846,184.00	$ -	$ 24,846,173.05	$ 10.95	$ 10.95
-	7,190,438.33	(354,061.67)	7,190,438.33	354,061.67	-
-	60,386,201.14	(3,113,041.86)	53,762,842.38	9,736,400.62	6,623,358.76
$ -	$ 92,422,823.47	$ (3,467,103.53)	$ 85,799,453.76	$ 10,090,473.24	$ 6,623,369.71

SAVANNAH STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE
(STATUTORY BASIS) BUDGET FUND
YEAR ENDED JUNE 30, 2020

	Beginning Fund Balance July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2019 Surplus	Prior Period Adjustments
Teaching				
State Appropriation				
State General Funds	$ 4,675.00	$ -	$ (4,675.00)	$ 4,814.51
Federal Coronavirus Relief Funds	-	-	-	-
Other Funds	1,308,867.52	(1,305,355.22)	(3,512.30)	(732,803.08)
Total Teaching	1,313,542.52	(1,305,355.22)	(8,187.30)	(727,988.57)
Prior Year Reserves				
Not Available for Expenditure				
Inventories	58,540.79	-	-	-
Uncollectible Accounts Receivable	1,204,436.58	-	-	-
Budget Unit Totals	$ 2,576,519.89	$ (1,305,355.22)	$ (8,187.30)	$ (727,988.57)

Statutory Basis financial information was 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.

Other Adjustments	Early Return Fiscal Year 2020 Surplus	Excess of Funds Available Over Expenditures	Ending Fund Balance June 30	Analysis of Ending Fund Balance: Reserved	Surplus	Total
$ (10.95)	$ -	$ 10.95	$ 4,814.51	$ -	$ 4,814.51	$ 4,814.51
-	-	-	-	-	-	-
(266,366.11)	-	6,623,358.76	5,624,189.57	5,136,411.85	487,777.72	5,624,189.57
(266,377.06)	-	6,623,369.71	5,629,004.08	5,136,411.85	492,592.23	5,629,004.08
10.95	-	-	58,551.74	58,551.74	-	58,551.74
266,366.11	-	-	1,470,802.69	1,470,802.69	-	1,470,802.69
$ -	$ -	$ 6,623,369.71	$ 7,158,358.51	$ 6,665,766.28	$ 492,592.23	$ 7,158,358.51

	Reserved	Surplus	Total
Department Sales and Services	$ 1,189,344.77	$ -	$ 1,189,344.77
Indirect Cost Recoveries	607,426.83	-	607,426.83
Technology Fees	482,133.04	-	482,133.04
Restricted/Sponsored Funds	2,324,362.50	-	2,324,362.50
Uncollectible Accounts Receivable	1,470,802.69	-	1,470,802.69
Tuition Carry-Over	533,144.71	-	533,144.71
Inventories	58,551.74	-	58,551.74
Surplus	-	492,592.23	492,592.23
Total Ending Fund Balance - June 30	$ 6,665,766.28	$ 492,592.23	$ 7,158,358.51

SECTION II

ENTITY’S RESPONSE TO PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SAVANNAH STATE UNIVERSITY
ENTITY'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2016-001	Return of Title IV Funds
Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A161039 (Year: 2016), P033A161039 (Year: 2016), P063A150091 (Year: 2016), P063P140091 (Year: 2015), P268K160091 (Year: 2016), P268K150091 (Year: 2015)
Questioned Costs:	$34,025.94
Repeat of Prior Year Findings:	FA 2015-003, FA-548-14-02
Finding Status:	Unresolved

Savannah State University recognizes that not all correction actions regarding R2T4 were completed in the 2019-20 aid year. The University understands the magnitude of this repeated deficiency. The University is working with the System Office and other partners to be able to make improvements that will significantly improve processes and restore compliance with federal regulations in order to be excellent fiduciaries of the entrusted federal funds. SSU plans to have the enhancements fully implemented by July 1, 2021.

FA 2015-003	Return of Title IV Funds
Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Questioned Costs:	$26,489.85
Repeat of Prior Year Findings:	FA-548-14-02
Finding Status:	Unresolved

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

See response to finding number FA 2016-001.

FA-548-14-02	Return of Title IV Funds
Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Questioned Costs:	$13,601.38
Finding Status:	Unresolved

See response to finding number FA 2016-001.

SECTION III

FINDINGS, QUESTIONED COSTS AND OTHER ITEMS

COMMUNICATION OF INTERNAL CONTROL DEFICIENCIES

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal control deficiencies identified during the course of this engagement that were considered to be significant deficiencies and/or material weaknesses are presented below:

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

FS-2020-001 Internal Controls Over Financial Reporting

Control Category: Accounting Controls Overall
Financial Reporting
Internal Control Impact: Material Weakness
Compliance Impact: None

Description:
The Institution did not have adequate internal controls in place over the financial statement reporting process. The original financial statements, as presented for review, contained material and significant errors and misstatements.

Criteria:
Management is responsible for having adequate controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). The Institution's internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge, skills and experience to prepare GAAP based financial statements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

Condition:
Our review of the Institution's GAAP basic financial statements, budget basis financial statements and notes to the financial statements revealed several errors. The following deficiencies were identified:

- The Institution recorded funds held for others and designated scholarships in the incorrect fund for numerous years. These accounts did not meet the requirements to be reported as fiduciary activities due to not being held in a custodial capacity, therefore they should have been recorded as restricted funds. Material and significant adjustments were necessary to properly reflect the financial statements and note disclosures.

- Cash and cash equivalents are misclassified as cash and cash equivalents externally restricted in the amount of $1,094,639.00.

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

- There were several other immaterial misstatements noted on the financial statements, note disclosures and schedule of expenditures of federal awards.

Cause:
In discussing these deficiencies with management, they stated that this was due to turnover of staff.

Effect or Potential Effect:
Material and significant misstatements were included in the financial statements presented for review. The lack of controls and monitoring could impact the reporting of the Institution's financial position and results of operations.

Recommendation:
The Institution should strengthen their internal controls and preparation and review procedures over financial reporting to ensure that the financial statements, including disclosures, presented for review are complete and accurate. These procedures should be performed by a properly trained individual(s) possessing a thorough understanding of GAAP, the applicable GASB pronouncements and knowledge of the Institution's activities and operations. The Institution should also consider implementing the use of a review checklist to assist in the review process over the financial statements.

Views of Responsible Officials and Corrective Action Plans:
We concur with this finding.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA-2020-001	Improve Controls over the Awarding Process
Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	$9,634.00

Description:
The Institution's Student Financial Aid Office improperly determined the Student Financial Assistance (SFA) award amounts for eligible students.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Criteria:
Provisions included in 34 CFR 668 provide general provisions for administering SFA programs and 34 CFR 674, 675, 676, 685, and 690 provide eligibility and other related program requirements that are specific to the Federal Perkins Loan Program, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Direct Student Loans Program, and Federal Pell Grant Program, respectively.

Condition:
A sample of 40 students from a population of 3,324 students who received student financial assistance funds was randomly selected for testing using a non-statistical sampling method. Student financial assistance files were reviewed to ensure that financial assistance was properly calculated and disbursed to eligible students. The following deficiencies were identified:

- One student received Subsidized Federal Direct Student Loans in excess of their calculated financial need. This resulted in an over disbursement of $237.00.

- One student received Federal Direct Student Loans in excess of the aggregate loan limit. This resulted in an over disbursement of $496.00.

- One student received additional funds from outside sources that were not included in the other resources available to the student in the calculation of need.

- One student was awarded more financial aid than their cost of attendance budget.

- Two students were eligible to receive $1,543.00 more in Federal Pell Grant Program funds than they actually received based upon their enrollment status and Expected Family Contribution.

- One student received $607.00 more in Federal Pell Grant Program funds than they were eligible to receive based upon their enrollment status and Expected Family Contribution. This resulted in an over disbursement of $607.00.

- Two students were not in compliance with the Institution’s published Satisfactory Academic Progress (SAP) policies. The students did not meet the quantitative requirement of SAP, which resulted in over disbursements totaling $8,294.00.

- Transfer monitoring was not completed properly for three students.

- Information from the U.S. Department of Education’s Common Origination and Disbursement website was not provided for review for two students and did not agree to the information reflected in the student information system for one student.

- Appropriate notifications of disbursements, rights to cancel loans, and/or procedures for canceling loans were not made appropriately to any students tested.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:
Upon testing a sample of $435,360.00 in financial aid disbursements, known questioned costs of $9,634.00 were identified for the students who received student financial assistance in excess of their eligibility. Using the total population amount of $39,903,047.67, we project the likely questioned costs to be approximately $883,007.08. The following CFDA numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:
In discussing these deficiencies with management, they stated that the Institution has had difficulty finding a qualified Financial Aid Director since the previous Financial Aid director vacated the position in October 2019. The lack of office leadership and the reduced number staff led to human errors and the review of certain reports to be overlooked.

Effect or Potential Effect:
These deficiencies may expose the Institution to unnecessary financial strains and shortages. The funds disbursed to students in excess of their eligibility must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning awarding of SFA funds to students.

Recommendation:
The Institution should review its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the Institution should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with Federal requirements. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are functioning properly. Furthermore, the Institution should ensure that an adequate number of financial aid staff with the appropriate level of training and expertise is employed at all times. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:
We concur with this finding.

FA-2020-002	Strengthen Controls over Cost of Attendance Budgets
Compliance Requirement:	Eligibility
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs: Unknown

Description:
The Institution's Student Financial Aid Office did not appropriately document the procedures used to establish Cost of Attendance (COA) budgets.

Criteria:
Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Assistance (SFA) programs. In addition, Section 472 of the Higher Education Act of 1965 specifies the components that can be included in COA budgets.

Condition:
A review of the Institution's COA budgets was performed to determine if the budgets were reasonable, included allowable components, and were calculated based upon appropriate supporting documentation. Institution personnel could not provide supporting documentation or explanations for the calculation of the following components included in the COA budgets: Books and Supplies, Personal Expenses, Room, Board, Tuition, Fees, and Transportation.

Questioned Costs:
Though questioned costs may exist, these amounts are unknown. Auditor was able to determine that the amounts reflected for several components of the COA budgets were acceptable based upon a review of the published tuition, fees, room, and board rates approved by the University System of Georgia. However, the reasonableness of the amounts reflected for Books and Supplies, Personal Expenses, and Transportation could not be determined. The following CFDA numbers would be affected if questioned costs did exist: 84.007, 84.033, 84.038, 84.063, and 84.268.

Cause:
In discussing these deficiencies with management, they stated that the previous Financial Aid Director who vacated the position in October 2019 established the COA budgets, and the documentation supporting the COA budgets could not be located for review.

Effect or Potential Effect:
The Institution was not in compliance with Federal regulations concerning the COA budgets used as the basis for determining SFA eligibility. The COA budget is the cornerstone of establishing a student's financial need and sets a limit on the total aid a student may receive. If the estimated costs used for components within the COA budgets are unreasonable and do not represent average costs for students at the Institution, a majority of the student population may have been over or under awarded.

Recommendation:
The Institution should reevaluate the components used in the COA budgets and document that these costs represent average costs for students enrolled at the Institution. The Institution should modify its procedures to ensure that any future changes to the COA budgets are reasonable and based on documented average costs for students. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:
We concur with this finding.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA-2020-003 **Improve Controls over Special Reporting**

Compliance Requirement:	Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019)
Questioned Costs:	None Identified

Description:
Amounts reported on the Fiscal Operations and Application to Participate (FISAP) report were not properly supported by or reconciled to appropriate documentation.

Criteria:
Provisions included in 34 CFR 675.19(b)(3) state, "Each year an institution shall submit a Fiscal Operations Report plus other information the Secretary requires. The institution shall insure that the information reported is accurate and shall submit it on the form and at the time specified by the Secretary." Additionally, provisions included in 34 CFR 668.24(e)(1) state in part that "an institution shall keep – (i) The Fiscal Operations Report and Application to Participate in the Federal Perkins Loan, FSEOG, and FWS Programs (FISAP), and any records necessary to support the data contained in the FISAP, including "income grid information," for three years after the end of the award year in which the FISAP is submitted."

Condition:
All amounts reflected on the Award Year July 1, 2018 through June 30, 2019 FISAP report were not accurately completed and supported by the accounting records or other appropriate documentation. Amounts reported by the Institution within the following categories could not be supported by institutional records and reports: Information on Enrollment, Tuition and Fees for Undergraduate Students, State Grants and Scholarships, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Work-Study (FWS) Program, and Distribution of Program Recipients and Expenditures by Type of Student.

Cause:
In discussing these deficiencies with management, they stated that documentation supporting the FISAP could not be located due to staff turnover.

Effect or Potential Effect:
If incorrect amounts are reported on the FISAP report for the FSEOG and FWS programs, authorizations in subsequent award years may be reduced and result in less funding received by the Institution. Furthermore, students may not have access to an adequate level of student financial assistance. Additionally, the Institution was not in compliance with Federal regulations concerning special reporting requirements.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:
The Institution should implement policies and procedures to ensure that all reports submitted to the U.S. Department of Education are accurately completed and supported by the accounting records. Management should also develop and implement a monitoring process to ensure that controls are operating properly. Additionally, the Institution should also contact the U.S. Department of Education regarding the resolution of this finding.

Views of Responsible Officials:
We concur with this finding.

FA-2020-004 **Strengthen Controls over the Verification Process**

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	$21,420.00

Description:
The Institution's Student Financial Aid Office did not meet student verification requirements appropriately.

Criteria:
Provisions included in 34 CFR 668 provide the compliance requirements for the verification process that the Institution should follow for students who receive financial aid and identify what documentation is acceptable.

Condition:
A sample of 40 students from a population of 1,125 students who were selected for verification by the U.S. Department of Education was randomly selected for testing using a non-statistical sampling method. Verification records were reviewed to ensure that the Institution obtained acceptable verification documentation, matched documentation obtained to the student aid application, submitted appropriate corrections when necessary, and reported the correct verification status to the Common Origination and Disbursement (COD) system. The following deficiencies were identified:

- The tax return documentation provided for one student did not agree to their most recent Institutional Student Information Report (ISIR).

- Verification procedures were not completed for one student.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- For one student, documentation from the COD system was not provided for review.

Questioned Costs:
Upon testing a sample of $500,289.00 in financial aid disbursements to students who were selected for verification, known questioned costs of $21,240.00 were identified for the student for whom verification procedures were not completed appropriately but received student financial assistance. Using the total population amount of $13,227,395.00, we project the likely questioned costs to be approximately $566,334.26. The following CFDA numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:
In discussing these deficiencies with management, they stated that staff turnover led to processing errors by the new and remaining staff.

Effect or Potential Effect:
These deficiencies may expose the Institution to unnecessary financial strains and shortages. The excess funds disbursed to students for whom verification procedures have not been completed appropriately must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning performing verification procedures and awarding of SFA funds to students.

Recommendation:
The Institution should develop and implement procedures to ensure that verification requirements are met and appropriate documentation is maintained on file. Management should also develop and implement a monitoring process to ensure that controls are operating properly. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:
We concur with this finding.

FA-2020-005	Improve Controls over the Return of Title IV Funds Process
Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	$17,260.07
Repeat of Prior Year Findings:	FA 2016-001, FA 2015-003, FA-548-14-02

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Description:
The Institution did not properly perform the Return of Title IV funds process to ensure that unearned Title IV funds were returned in a timely manner.

Criteria:
Provisions included in 34 CFR 668.22 provide requirements over the treatment of Title IV funds when a student withdraws. The Institution is required to determine the amount of Title IV funds that the student earned as of the student's withdrawal date when a recipient of Title IV funds withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. A refund must be returned to Title IV programs when the total amount of the Title IV grant or loan assistance, or both, that the student earned is less than the amount of the Title IV grant and/or loan assistance that was disbursed to the student as of the withdrawal date.

Condition:
A sample of 33 students from a population of 163 students who received student financial assistance (SFA) for the Fall 2019 and Spring 2020 semesters and withdrew from the Institution was randomly selected for testing using a non-statistical sampling method. The students' Return of Title IV calculations were reviewed to ensure that the refunds were calculated and returned in the correct amount to the proper funding agencies and/or student in a timely manner. The following deficiencies were noted:

- The refund calculations for six students who withdrew during the Fall 2019 semester and two students who withdrew during the Spring 2020 semester could not be provided for review. Therefore, it could not be determined if these calculations were performed or accurate. As a result, refunds in the amount of $15,704.29 were not supported with adequate documentation at the time of the audit.

- The refund calculations for five students who withdrew during the Fall 2019 semester and one student who withdrew during the Spring 2020 semester were calculated incorrectly due to the use of improper scheduled break days, withdrawal dates, and/or institutional charges. Of the Fall 2019 refunds, four students were requested to return $1,800.54 less than the required amount to various SFA programs, and one student was requested to return $1,673.86 more than the required amount to various SFA programs. Spring 2020 refunds were not required to be returned to the various SFA programs due to a waiver provided by the U.S. Department of Education.

- The proration between the school and student portion of the refund was incorrect for nine students who withdrew during the Fall 2019 semester and three students who withdrew during the Spring 2020 semester.

- The amount returned within the student information system did not agree to the Institution's calculation for one student.

- Funds were not returned to the appropriate grantor programs within the required time frame for 13 of the withdrawn students tested.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

In addition, a sample of 27 students from a population of 130 students who received Federal financial assistance for the Fall 2019 and Spring 2020 semesters and withdrew from the Institution but for whom no Return of Title IV calculation was performed was randomly selected for testing using a non-statistical sampling method. Attendance and withdrawal records were reviewed to determine if a refund should have been calculated for these students. Our examination revealed that refund calculations were not performed appropriately for seven students who withdrew during the Spring 2020 semester.

Questioned Costs:
Upon testing a sample of $201,110.03 in financial aid disbursements to students for whom a Return of Title IV calculation was completed, known questioned costs of $17,260.07 were identified for refunds not adequately supported or calculated incorrectly. Using the total population amount of $1,019,228.67, we project the likely questioned costs to be approximately $87,474.30. The following CFDA numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:
In discussing these deficiencies with management, they stated that staff turnover and lack of knowledge of the available staff led to a failure in performing Return of Title IV calculations appropriately and timely.

Effect or Potential Effect:
These deficiencies may expose the Institution to unnecessary financial strains and shortages. The school's portion of the refunds that were not calculated or were not calculated correctly must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, improperly identifying withdrawn students, not performing Return of Title IV calculations, and/or not returning unearned Title IV funds to the U.S Department of Education in a timely manner may result in adverse actions and impact the Institution's participation in Title IV programs.

Recommendation:
The Institution should revise and implement procedures to ensure that students who withdrew from the Institution are identified, student financial aid refunds are properly calculated, and that unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments 1998, Public Law 105-244. Management should also develop and implement a monitoring process to ensure that controls are operating properly. The Institution should also contact the U.S. Department of Education regarding resolution of the finding.

Views of Responsible Officials:
We concur with this finding.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA-2020-006 Strengthen Controls over Enrollment Reporting

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	None Identified

Description:
Changes in student enrollment statuses were not reported to required organizations in a timely and accurate manner.

Criteria:
Regarding the enrollment reporting process, provisions included in 34 CFR 685.309(b) state in part "(1) Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary – (i) In the manner and format prescribed by the Secretary; and (ii) Within the timeframe prescribed by the Secretary. (2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that – (i) … the student has ceased to be enrolled on at least a half-time basis for the period." In addition, per the National Student Loan Data System (NSLDS) Enrollment Reporting Guide issued by the U.S. Department of Education, students who have received Federal Pell Grant funds will be included on the NSLDS roster file received by each institution and are subject to the same enrollment reporting requirements as those students who have received a loan under the William D. Ford Federal Direct Loan Program.

Condition:
A sample of 25 students who received Federal Pell Grant Program and/or Federal Direct Student Loan funds and had a reduction or increase in attendance level, graduated, withdrew, dropped out, or enrolled but never attended during the audit period was randomly selected for testing using a non-statistical sampling method. NSLDS Enrollment Detail information was reviewed for each student to ensure that the Institution accurately reported significant data elements under both the Campus-Level and Program-Level Record. The following deficiencies were identified:

- For one student, the OPEID Number reflected on the Campus-Level and Program-Level Record did not agree to the location that the student was actually attending.

- For 20 students, the Enrollment Effective Date and/or Program Enrollment Effective Date reflected on the Campus-Level Record and/or Program-Level Record, respectively, did not agree to the date on which the current enrollment status reported for the student was first effective.

- For 13 students, the Enrollment Status and/or Program Enrollment Status reflected on the Campus-Level and/or Program Level Record, respectively, was not appropriate based upon the student's enrollment status as of the reporting date.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- For 7 students, the Certification Date reflected on the Campus-Level Record was not within 60 days of the students' change in enrollment.

- For four students, the Classification of Instructional Programs Code reflected on the Program-Level Record did not agree with the students' field of study reported in the student information system.

- For two students, the Credential Level reflected on the Program-Level Record did not agree to the level of credential that the students would receive for the program the student was attending.

- For two students, the Published Program Length Measurement and/or Published Program Length reflected on the Program-Level Record was not appropriate based upon review of the Institution's catalog.

- For two students, the Program Begin Date reflected on the Program-Level Record did not agree with the information reported in the student information system.

In addition, the Enrollment Reporting Summary Report (SCHER1) was not provided for review. Therefore, it could not be determined if the Institution updated and returned Enrollment Reporting roster files within the appropriate timeframes.

Cause:
In discussing these deficiencies with management, they stated that there was not adequate communication between the Financial Aid Office and the Registrar's Office to ensure that accurate enrollment reporting occurred. Additionally, issues noted with identifying withdrawn students contributed to errors in enrollment reporting.

Effect or Potential Effect:
If enrollment statuses are not submitted appropriately to NSLDS by the Institution, loan interest subsidies may be negatively affected, deferments of Federal Direct Student Loans may be continued in error, loan repayment dates could be recorded incorrectly, and the compilation of data associated with other Title IV aid programs could be adversely affected. Additionally, the Institution was not in compliance with Federal regulations concerning enrollment reporting requirements.

Recommendation:
The Institution should implement policies and procedures to ensure that all changes in student enrollment statuses are reported in a timely manner. Additionally, management should develop and implement a monitoring process to ensure that controls are operating properly.

Views of Responsible Officials:
We concur with this finding.

OTHER ITEMS (NOTED FOR MANAGEMENT'S CONSIDERATION)

Auxiliary Fund Deficits

Observation:
The University System of Georgia's Business Procedures Manual Section 15 states that "Auxiliary Enterprises are operating on a self-supporting basis, where the combination of fees and other revenue is sufficient to meet costs". The Institution's Residence Halls, Parking Services, Intercollegiate Athletics and Other funds reported a loss during the year under review. The Residence Halls fund reported a net loss of $1,941,397 and is in a deficit of $4,630,799. The Parking Services fund reported net loss of $56,080 and is in a deficit of $319,435. The Intercollegiate Athletics fund reported a net loss of $1,019,916 and is in a deficit of $15,486,427. The Auxiliary Other fund reported a net loss of $6,323 and is in a deficit of $785,233. These funds contributed to the overall Auxiliary Fund deficit net position of $7,038,824. The Institution has reserves of $844,039 that could be used to partially cover some of the applicable deficits.

Recommendation:
The Institution should ensure that the revenue streams associated with the Auxiliary Enterprise funds are sufficient to pay all costs pertaining to the funds.

Management's Response:

The University has taken several initiatives to ensure the auxiliary units are self-supporting.

1. Savannah State University Athletic Department has transitioned to Division II. In the immediate years, the department has made budget cuts across the board in an effort to decrease the large deficit that has been carried for several years. In FY 2019 and FY 2020 the department reduced its expenditures by $1.5 million and $1.6 million, respectively. The athletics department will continue to be intentional in its reduction in spending in order to eliminate the deficit. Major areas of change will include: travel, scholarships, game guarantees, operating supplies and expenses.
2. The Budget Office will continue to work with the Residence Halls staff to ensure that expenditures are within budgetary limits.
3. The Budget Office will continue to work with Parking Services to ensure that expenditures are within budgetary limits.
4. The University will explore the possibility of outsourcing its current vending operations in order to bring it to profitability.

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Reconciliation of Bank Accounts

Observation:
According to the University System of Georgia's Business Procedures Manual, Section 1.9.4, monthly reconciliations are required between the institution's financial records and all bank accounts. Our review revealed that monthly bank reconciliations were not being properly completed and/or approved in a timely manner. Specifically, the year-end reconciliation was not completed prior to the final close of the fiscal year and was reconciled to an incorrect general ledger amount. In addition, the reconciling items, including errors and/or discrepancies were not corrected in a timely manner.

OTHER ITEMS (NOTED FOR MANAGEMENT'S CONSIDERATION)

Recommendation:
The Institution should review procedures in place and implement changes necessary to ensure that bank reconciliations are complete and reconciling items are corrected in accordance with Business Procedures Manual Section 1.9.4, Bank Accounts.

Management's Response:
The Comptroller's Office has experienced turnover in key staff during the fiscal year and is in the process of filling the vacancies. Hiring these staff members will provide the assistance necessary to complete these important tasks to ensure compliance with BOR policy and procedures.

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Due Diligence for Student and Uncollectible Accounts Receivable

Observation:
The Institution did not follow established policies and procedures over the due diligence process for student and uncollectible accounts receivable as described in the University System of Georgia Business Procedures Manual Section 10 Accounts Receivable. Section 10.6.1 '*Past Due Notices*' outlines the actions required for collection of receivables. The Institution should send past due notices at 30, 60 and 90 days after the past due date and the account should be referred to a collection agency after 120 to 180 days past the due date if it has been determined that all good faith collection efforts have been exhausted.

Our review of forty-nine accounts receivables identified that thirty-four student accounts did not have appropriate past due notices sent at the 30/60/90-day requirements, two student accounts were deemed invalid receivables since they were paid in full, and three third-party vendor accounts did not have a billing process initiated and were more than one year old.

Recommendation:
The Institution should perform the due diligence procedures outlined in the University System of Georgia Business Procedures Manual.

Management's Response:
The Bursar's Office has experienced turnover in key staff members during the fiscal year and is in the process of filling the vacancies. Hiring these staff members will provide the assistance necessary to complete these pivotal tasks to ensure compliance with BOR policy and procedures.

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SECTION IV

MANAGEMENT’S CORRECTIVE ACTION

Office of the President

SAVANNAH STATE UNIVERSITY

CORRECTIVE ACTION PLANS – FINANCIAL FINDINGS

FA-2020-001	Internal Controls Over Financial Reporting
Control Category:	Accounting Controls Overall Financial Reporting
Internal Control Impact:	Material Weakness
Compliance Impact:	None

Description:
The Institution did not have adequate internal controls in place over the financial statement reporting process. The original financial statements, as presented for review, contained material and significant errors and misstatements.

Corrective Action Plans:
We concur with this finding: Management will strengthen internal controls and procedures over the financial reporting process. Additionally, the University has started corrective measures in properly identifying custodial accounts and ensuring that any accounts for which the University has administrative involvement will be closed or transferred to a restricted or business-type activity fund.

Estimated Completion Date: November 30, 2020

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Kimberly Ballard-Washington, J.D.
Interim President

SAVANNAH STATE UNIVERSITY

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

FA-2020-001 **Improve Controls over the Awarding Process**

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	$9,634.00

Description:
The Institution's Student Financial Aid Office improperly determined the Student Financial Assistance (SFA) award amounts for eligible students.

Corrective Action Plans:

The institution is working to fill vacant positions with trained financial aid professionals. The Financial Aid Office, in conjunction with the Registrar and Bursar Offices, will review processes and set-ups in BANNER as well as awarding procedures. This will ensure that awards will be accurate, over awards are monitored and aid is adjusted appropriately, and timely and disbursement notices are being sent. The transfer monitoring process will be completed in BANNER so that compliance requirements can be met. The SAP Policy and Procedures, as well as the set ups in BANNER will be reviewed and updated to ensure students statuses are calculated accurately.

Estimated Completion Date: July 1, 2021

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Kimberly Ballard-Washington, J.D.
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SAVANNAH STATE UNIVERSITY

FA-2020-002 **Strengthen Controls over Cost of Attendance Budgets**

Compliance Requirement:	Eligibility
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	Unknown

Description:
The Institution's Student Financial Aid Office did not appropriately document the procedures used to establish Cost of Attendance (COA) budgets.

Corrective Action Plans:

The cost of attendance budgets are being reviewed and documented appropriately by the financial aid office and will be stored in a shared file so that it may be accessed and provided even if the person who documented it is no longer employed by the university.

Estimated Completion Date: July 1, 2021

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SAVANNAH STATE UNIVERSITY

FA-2020-003 **Improve Controls over Special Reporting**

Compliance Requirement:	Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019)
Questioned Costs:	None Identified

Description:
Amounts reported on the Fiscal Operations and Application to Participate (FISAP) report were not properly supported by or reconciled to appropriate documentation.

Corrective Action Plans:

When completing future FISAP's, the documentation for the information will be compiled by the appropriate offices and stored in a central location so the information will be available for review.

Estimated Completion Date: July 1, 2021

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SAVANNAH STATE UNIVERSITY

FA-2020-004 **Strengthen Controls over the Verification Process**

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	$21,420.00

Description:
The Institution's Student Financial Aid Office did not meet student verification requirements appropriately.

Corrective Action Plans:

The institution will provide additional training opportunities for staff completing verification in order to ensure that they are completed accurately. Additionally, staff will perform random self-audits of completed files to further ensure accuracy and identify training opportunities.

Estimated Completion Date: July 1, 2021

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SAVANNAH STATE UNIVERSITY

FA-2020-005	Improve Controls over the Return of Title IV Funds Process
Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	$17,260.07
Repeat of Prior Year Findings:	FA 2016-001, FA 2015-003, FA-548-14-02

Description:
The Institution did not properly perform the Return of Title IV funds process to ensure that unearned Title IV funds were returned in a timely manner.

Corrective Action Plans:

The Financial Aid Office, the Bursar Office and the Registrar Office will review processes and set ups in BANNER to ensure that R2T4 calculations are being completed accurately and timely for both official and unofficial withdrawals. Additionally, staff will receive additional training and the withdrawal policies will be reviewed and updated as necessary to meet federal regulations.

Estimated Completion Date: July 1, 2021

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FA-2020-006 **Strengthen Controls over Enrollment Reporting**

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Numbers:	P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	None Identified

Description:
Changes in student enrollment statuses were not reported to required organizations in a timely and accurate manner.

Corrective Action Plans:

The Financial Aid Office and the Registrar's Office will work on the policy and processes related to students who withdraw, change programs or change enrollment status to ensure that these updates are processed timely and correctly.

Estimated Completion Date: July 1, 2021

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