Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

Lanier Technical College – Hall County Campus
Gainesville, Georgia
Submitted by the Georgia State Financing and Investment Commission

LANIER Technical College

https://www.laniertech.edu/

Lanier Technical College, a unit of the Technical College System of Georgia, serves as the foremost workforce development resource for Banks, Barrow, Dawson, Forsyth, Hall, Jackson, and Lumpkin counties by providing

- career-technical education programs, offered through traditional and distance delivery methods, leading to associate degrees, diplomas, and technical certificates of credit
- customized business and industry training and economic development services
- continuing education for technical and professional development
- adult education services.

State of Georgia

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

Prepared by:
State Accounting Office


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Macon, Georgia
Submitted by the Georgia Department of Transportation

State Accounting Office

Brian P. Kemp
Governor

Gerlda B. Hines
State Accounting Officer

March 1, 2023

The Honorable Brian P. Kemp, Governor of Georgia

The Honorable Members of the General Assembly

Citizens of the State of Georgia

It is my privilege to present the *Annual Comprehensive Financial Report* on the operations of the State of Georgia (State) for the fiscal year ended June 30, 2022, in accordance with the Official Code of Georgia Annotated (OCGA), § 50-5B-3(a)(7). The objective of this report is to provide a clear picture of our government as a single comprehensive reporting entity.

This report consists of management's representations concerning the State's finances and management assumes full responsibility for the completeness and reliability of the information presented. This report reflects my commitment to you, the citizens of the State, and to the financial community to maintain our financial statements in accordance with Generally Accepted Accounting Principles (GAAP) applicable to governments as prescribed by the Governmental Accounting Standards Board (GASB). Information presented in this report is believed to be accurate in all material respects, and all disclosures have been included that are necessary to enable the reader to obtain a thorough understanding of the State's financial activities.

Internal Controls

The State's management is responsible for the establishment and maintenance of internal accounting controls which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded, financial transactions are properly recorded and adequately documented, and to ensure the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from such control and that the evaluation of those costs and benefits requires estimates and judgments by the State's management.

Independent Audit

The financial statements of significant organizations comprising the State reporting entity have been separately audited and reported on by either the State Auditor or independent certified public accountants. The State Auditor and other independent auditors have performed an examination of the accompanying financial statements for the State and have issued a disclaimer of opinion on Business-Type Activities and the Unemployment Compensation Fund and an unmodified opinions on the remainder of the State's basic financial statements included in this report.

Federal regulations also require the State to undergo an annual Single Audit in conformance with the Single Audit Act Amendments of 1996 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (contained in Title 2 U.S. Code of Federal Regulations Part 200). Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, summary of prior audit findings, and the Independent Auditor's reports, is issued in a separate report and will be available at a later date.

Management's Discussion and Analysis (MD&A)

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE STATE OF GEORGIA

The State, founded on February 12, 1733, was the last of the original 13 colonies and became the fourth state by ratifying the U.S. Constitution on January 2, 1788. The State is an economic hub of the southeast. Atlanta, the state capital, is the major economic and population center of the State with major regional economic and population centers in Augusta, Savannah, and Macon. The State's economic base is diverse with major port facilities on the coast, agricultural resources throughout the State, manufacturing and service industries, and is a major transportation center with one of the busiest airports in the nation. The State is the eighth largest state with an estimated population of 10.8 billion people.

Reporting Entity

The Constitution of the State of Georgia (Constitution) provides the basic framework for the State's government, which is divided into three separate branches: legislative, executive, and judicial, as shown on the organizational chart on page vi. The duties of each branch are outlined in the Constitution and in the OCGA.

For financial reporting purposes, the State's reporting entity consists of (1) the primary government, (2) component unit organizations for which the primary government is financially accountable, and (3) other component unit organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Further information about the State's reporting entity can be found in *Note 1 - Summary of Significant Accounting Policies-Section B* in the Notes to the Financial Statements.

The State and its component units provide a full range of services to its citizens, including education, health and welfare, transportation, public safety, economic development and assistance, culture and recreation, conservation, and general government services. The financial statements present information on the financial position and operations of state government associated with these services as a single comprehensive reporting entity. Accordingly, the various agencies, departments, boards, commissions, authorities, foundations, funds, and accounts of the State that have been identified as part of the primary government or a component unit have been included in this report.

Budgetary Control

The Constitution requires that budgeted expenditures not exceed the estimated revenues and other funding sources, including beginning fund balances. The State's legal level of budgetary control is funding source within program. Annually, the Governor submits a balanced budget by program to the Legislature. In addition to the internal controls previously discussed, the State maintains budgetary controls to ensure compliance with the legal provisions of the State's Appropriation Act, which reflects the Georgia General Assembly's approval of the annual budget. Budgetary control is maintained through a formal appropriation and allotment process.

The State's annual budget is prepared on a statutory basis which is principally the modified accrual basis utilizing encumbrance accounting. The State monitors spending activity to ensure that expenditures do not exceed appropriated amounts by agency at the legal level of control as provided for by the Constitution. Information regarding the State's budgetary process can be found in the Notes to Required Supplementary Information within this report.

The statutory basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with GAAP. Detailed information on the statutory basis of accounting and the results of operations on that basis for fiscal year 2022 can be found in the separately issued Budgetary Compliance Report (BCR) dated December 30, 2022.

Budget Stabilization

The State maintains the Revenue Shortfall Reserve (RSR) which provides for the sound management of excess revenue collections in any given fiscal year. By statute, all surplus state funds existing at the end of each fiscal year shall be reserved and added to the RSR. Funds in the RSR carry forward from fiscal year to fiscal year without reverting to the revenue collections fund within the General Fund at the end of a fiscal year. Additional information about the State's RSR balances can be found in MD&A.

Long-term Financial Planning - Debt Management

Each year, the Georgia State Financing and Investment Commission (Commission) issues its debt management plan (Plan) which provides a five-year projection of the State's general obligation and guaranteed revenue bond issuances and the debt service requirements for all outstanding debt and projected new debt issuances. The Plan covers the current fiscal year and the four succeeding fiscal years. The resulting projected annual debt service requirements are compared to the actual treasury receipts of the State for the immediately preceding fiscal year and projected future treasury receipts of the State to determine the ratio of debt service requirements to the prior year's State treasury receipts. This ratio, which is established by the Constitution at a maximum of 10%, but the Plan is limited to a maximum of 7% by Commission policy, along with several other ratios discussed in the Plan, serves as a guide for the Governor and the General Assembly in their consideration of the authorization of new State debt during the budget preparation, review, and adoption process. Projected issuances of new debt may be increased or decreased depending on the capital needs of the State and projections of estimated treasury receipts in future years.

Fiscal Year Budget Overview

Georgia has weathered a time of tremendous uncertainty over the two last years, and yet, it has emerged stronger than ever with a large, diverse, growing economy reflecting continued economic recovery. Businesses continue to move to and expand all over Georgia. Throughout the pandemic, tough, necessary decisions were made, and as a result, Georgia's doors mostly stayed open for business, and uninterrupted service was provided to the people of this state. Georgia's cost-cutting measures at the onset of the pandemic coupled with its robust economy are now providing the opportunity to reallocate resources and make historic investments in the state and citizens through the Amended Fiscal Year 2022 (AFY 2022) and Fiscal Year 2023 (FY 2023) budgets. Ultimately, these efforts will maintain Georgia's position as the number one state in which to do business.

Keeping Georgia the number one state in which to do business depends on a having a work-ready and skilled workforce. Investing in Georgia's future workforce begins with its children by ensuring they have the right skills and abilities to lead productive, fulfilling lives. The investments made today in Georgia's educational system will pay dividends for generations to come. Support for educators, who are responsible for instilling in Georgia's youth invaluable life skills, challenging them to think critically and push themselves, remains steadfast. Success in the classroom begins with the teacher. Georgia strives to retain the highest quality of teachers while continuing to attract the best and brightest to the profession. The AFY 2023 budget fulfilled the promise to increase teacher salaries by $5,000 by providing an additional $633 million between AFY 2022 and FY 2023 for teacher pay from pre-kindergarten through 12th grade. This budget also restored $383 million in both fiscal years to eliminate the austerity reduction made at the start of the pandemic to ensure school systems and teachers have the resources that they need to be effective in their classrooms. The AFY 2022 and FY 2023 budgets collectively provided an additional $1.4 billion in direct funding for our K-12 schools, investing more per K-12 student than ever before.

It is also clear that to succeed in the job market, students need specialized skills obtained through the post-secondary education system. Keeping higher education affordable for students is essential in keeping higher education accessible. The FY 2023 budget included $76 million to fully fund enrollment growth in higher education programs; but as with K-12 education, it also fully restores the remaining austerity reductions to the university and technical college systems of more than $263 million. Restoring these funds will allow the University System of Georgia to remove the special institution fee imposed on students since the Great Recession; it will allow the Technical College System of Georgia to expand critical programs in health care, manufacturing, and commercial truck driving to better meet the needs of the economy without increasing tuition on students.

Another priority of the administration included expanding coverage and increasing access for vital health services for vulnerable populations which included providing Medicaid coverage for new mothers for a full year after birth to help address the problem of maternal mortality in our state. One central priority of the administration has been the safety of our citizens. The FY 2023 budget continues the war on street gangs and human trafficking by adding an additional $1.6 million for the Department of Law to establish a gang prosecution unit and expand the human trafficking unit. These units help ensure the state has the specialized expertise and focus to prosecute criminals to the full extent of the law and put them behind bars. Furthermore, as the judicial system has focused on providing rehabilitative support in the community where appropriate for low-level, nonviolent offenders to avoid recidivism, the state prison population has become filled with increasingly violent offenders. Georgia's aging prison facility infrastructure was not intended to house the level of offender who resides there today, and it requires higher levels staffing and facility maintenance to manage these dangerous environments. Therefore, the state made an historic investment in prison infrastructure by providing $600 million between the AFY 2022 and FY 2023 budgets to transform correctional infrastructure with the purchase of a newer prison facility and construction of a 3,000 bed facility to house medium and high-security prisoners. These investments will allow Georgia to close four of the older and most dangerous facilities, saving the state operational costs in the future while providing safer environments for correctional officers.

Finally, as Georgia has emerged from the pandemic, its workforce has become more resilient than ever. Because of the administration's focus on doing more with less and increasing technology utilization, the state has fewer employees today than in FY 2008, excluding the University System of Georgia. However, state government positions must remain competitive with other government entities in order to attract and retain a talented workforce capable of meeting the needs of our citizens. State agency heads have consistently expressed the need to improve state employee pay to reduce turnover and save the state resources needed to continuously hire and train new staff. Therefore, state made the first cost-of-living adjustment for full time, benefit eligible state employees in fourteen years, to provide a $5,000 pay increase for full-time, benefit eligible state employees, increase the employer match for 401(k) contributions, and annually allow employees to withdraw up to forty hours of eligible leave as pay. These investments will reward state employees and their work, enable the state to better retain talented individuals, and reduce unnecessary expenses related to turnover.

By protecting lives and livelihoods, Georgia leads the nation in economic prosperity despite the pandemic. The budget herein leveraged funds saved from difficult choices made early in the pandemic for historic investments in educational entities, economy, state workforce, public safety priorities, and most importantly, its citizens.

During fiscal year 2022 State General Fund receipts deposited with the Office of the State Treasurer were $34.9 billion, which was 35.5% more than the final amended revenue estimate of $25.8 billion and 22.2% more than prior year 2021. This increase was due to higher wages which drove up income tax collections and inflation helped boost what the state collected from sales taxes. This increase helps put Georgia on solid financial footing. As a result, the balance of the Revenue Shortfall Reserve (RSR) as of June 30, 2022 represented an increase of $951.5 million (22.2%), as well as the maximum 15% legal limit as compared to the prior year. Receipts representing the excess $7.0 billion RSR were reported as undesignated, regular surplus.

By statute, up to 1% of fiscal year 2022 net revenue collections of $349.3 million may be appropriated from the RSR in fiscal year 2023 for K-12 needs. As of the date of this report, the $5.2 billion RSR balance has not been adjusted for this potential appropriation. In addition, the Governor may release, for appropriation in a subsequent year, funds in excess of 4% of current year (fiscal year 2022) revenue collections.

ECONOMIC FACTORS AND OUTLOOK

As the labor market recovery is complete in total jobs added, industry composition has shifted in favor of higher wage jobs. This is demonstrated in an increase in personal income tax withholdings. Additionally, Georgia consumers are in a stronger financial position with an estimated $70 billion more in savings than pre-pandemic.This is leading to very strong sales tax collections and makes the economy more recession-resistant since consumers have money to maintain spending if their incomes drop.

Additional information on the economic outlook for the State can be located in the State's MD&A which can be found immediately following the independent auditor's report.

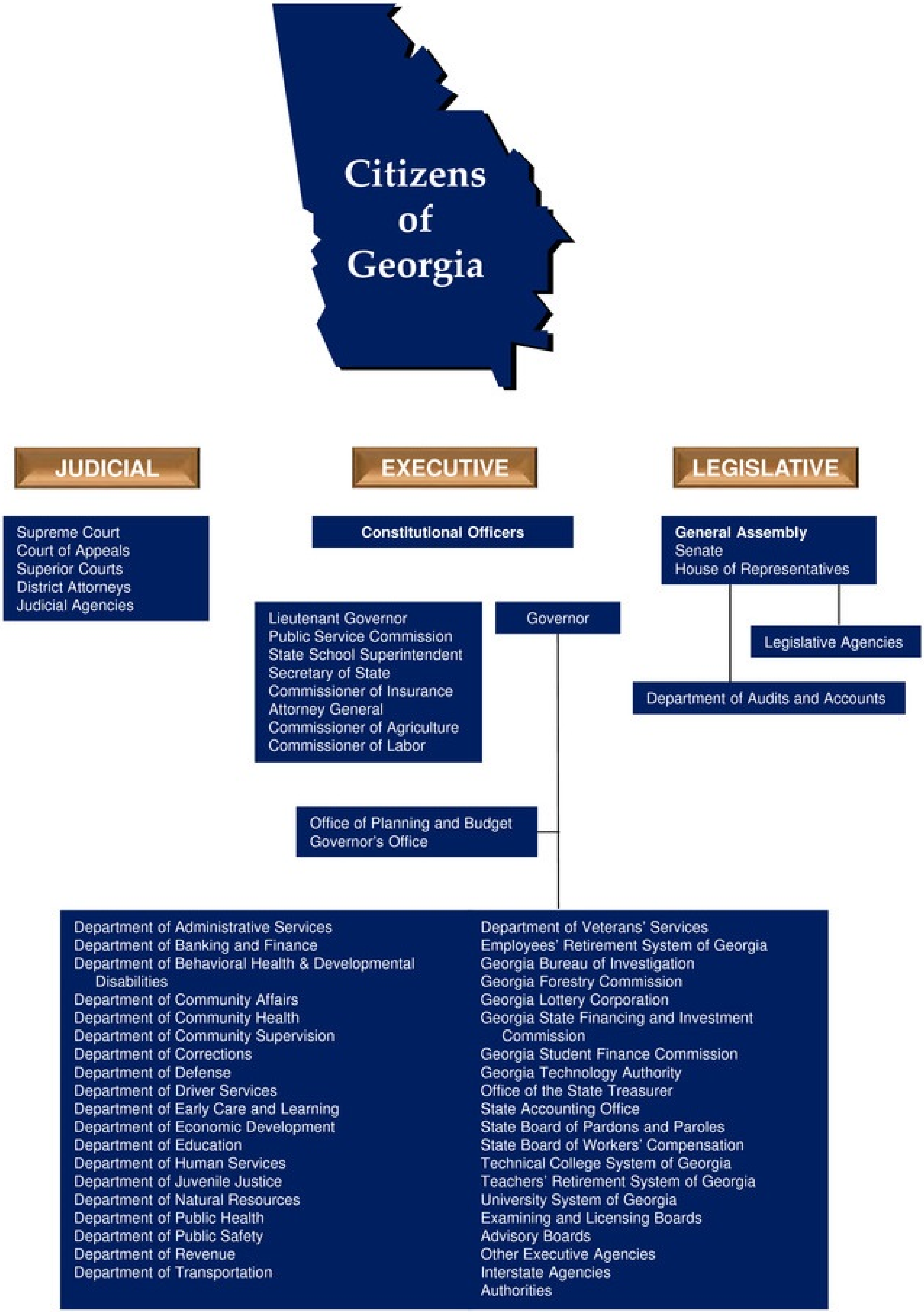
ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the dedicated and efficient service of the entire staff of the State Accounting Office. We also express our appreciation to the fiscal officers throughout state government for their dedicated efforts in assisting us in the preparation of this report.

Respectfully submitted,

Gerlda B. Hines

Gerlda B. Hines
State Accounting Officer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EXECUTIVE
LEGISLATIVE
Supreme Court
Court of Appeals
Superior Courts
District Attorneys
Judicial Agencies
Constitutional Officers
General Assembly
Senate
House of Representatives
Lieutenant Governor
Public Service Commission
State School Superintendent
Secretary of State
Commissioner of Insurance
Attorney General
Commissioner of Agriculture
Commissioner of Labor
Governor
Legislative Agencies
Department of Audits and Accounts
Office of Planning and Budget
Governor's Office
Department of Administrative Services
Department of Banking and Finance
Department of Behavioral Health & Developmental Disabilities
Department of Community Affairs
Department of Community Health
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Department of Economic Development
Department of Education
Department of Human Services
Department of Juvenile Justice
Department of Natural Resources
Department of Public Health
Department of Public Safety
Department of Revenue
Department of Transportation
Department of Veterans' Services
Employees' Retirement System of Georgia
Georgia Bureau of Investigation
Georgia Forestry Commission
Georgia Lottery Corporation
Georgia State Financing and Investment Commission
Georgia Student Finance Commission
Georgia Technology Authority
Office of the State Treasurer
State Accounting Office
State Board of Pardons and Paroles
State Board of Workers' Compensation
Technical College System of Georgia
Teachers' Retirement System of Georgia
University System of Georgia
Examining and Licensing Boards
Advisory Boards
Other Executive Agencies
Interstate Agencies
Authorities

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State of Georgia

Principal State Officials
June 30, 2022

Executive:

Brian P. Kemp........ *Governor*

Brad Raffensperger........ *Secretary of State*

Chris Carr........ *Attorney General*

Mark Butler........ *Commissioner of Labor*

Richard Woods .... *State Superintendent of Schools*

John F. King........ *Commissioner of Insurance*

Gary W. Black........ *Commissioner of Agriculture*

Terrel "Fitz" Johnson........ *Public Service Commissioner*
Tim Echols (Vice Chairman)........ *Public Service Commissioner*
Lauren "Bubba" McDonald, Jr (Chairman)........ *Public Service Commissioner*
Tricia Pridemore........ *Public Service Commissioner*
Jason Shaw........ *Public Service Commissioner*

Legislative:

Geoff Duncan........ *Lieutenant Governor/President of the Senate*

David Ralston........ *Speaker of the House of Representatives*

Judicial:

David E. Nahmias........ *Chief Justice of the Supreme Court*

ACKNOWLEDGMENTS

The Georgia Annual Comprehensive Financial Report for the fiscal year ending June 30, 2022 was prepared by:

STATE ACCOUNTING OFFICE

Kris Martins, Deputy State Accounting Officer, Financial Reporting

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SPECIAL APPRECIATION

The State Accounting Office would like to extend special appreciation to all fiscal and accounting personnel throughout the State who contributed the financial information for their agencies. Additionally, the Division of Statewide Accounting and Reporting would like to acknowledge the efforts given by all of the functional and support personnel of the State Accounting Office.


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FINANCIAL SECTION

Georgia Public Safety Training Center
Forsyth, Georgia
Submitted by the Georgia Public Safety Training Center

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
and
Members of the General Assembly of the State of Georgia

Report on the Audit of the Financial Statements

Disclaimer of Opinions and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component units, general fund, general obligation bond fund, higher education fund, state employees' health benefit fund, and aggregate remaining fund information, and we were engaged to audit the business-type activities and unemployment compensation fund, of the State of Georgia (State), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	***Type of Opinion***
Governmental Activities	Unmodified
Business-type Activities	Disclaimer
Aggregate Discretely Presented Component Units	Unmodified
Governmental - General Fund	Unmodified
Governmental - General Obligation Bond Fund	Unmodified
Enterprise - Higher Education Fund	Unmodified
Enterprise - State Employees' Health Benefit Fund	Unmodified
Enterprise - Unemployment Compensation Fund	Disclaimer
Aggregate Remaining Fund Information	Unmodified

Disclaimer of Opinions on Business-type Activities and Unemployment Compensation Fund

We do not express an opinion on the accompanying financial statements of the business-type activities and unemployment compensation fund and the respective changes in financial position and cash flows thereof for the year ended June 30, 2022. Because of the significance of the matter described in the Basis for Disclaimer of Opinions on Business-type Activities and Unemployment Compensation Fund section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the business-type activities and unemployment compensation fund.

Unmodified Opinions on Each of the Other Opinion Units

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, aggregate discretely presented component units, general fund, general obligation bond fund, higher education fund, state employees' health benefit fund, and aggregate remaining fund information of the State as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the entities listed below. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

AU Health System, Inc.
Augusta University Foundation, Inc. and Subsidiaries
Augusta University Research Institute, Inc.
Employees' Retirement System of Georgia
Georgia Advanced Technology Ventures, Inc. and Subsidiaries
Georgia College & State University Foundation, Inc. and Subsidiaries
Georgia Environmental Finance Authority
Georgia Gwinnett College Foundation, Inc.
Georgia Health Sciences Foundation, Inc.
Georgia Housing and Finance Authority
Georgia Lottery Corporation
Georgia Ports Authority
Georgia Southern University Housing Foundation, Inc. and Subsidiaries
Georgia State Financing and Investment Commission
Georgia State University Athletic Association, Inc.
Georgia State University Foundation, Inc.
Georgia State University Research Foundation, Inc.
Georgia Tech Athletic Association
Georgia Tech Facilities, Inc.
Georgia Tech Foundation, Inc.
Georgia Tech Research Corporation
Kennesaw State University Foundation, Inc.
Medical College of Georgia Foundation, Inc.
Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries
Teachers Retirement System of Georgia
The University of Georgia Foundation
University of Georgia Athletic Association, Inc.
University of Georgia Research Foundation, Inc. and Subsidiaries
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries
UWG Real Estate Foundation, Inc.
University System of Georgia Foundation, Inc. and Affiliates
VSU Auxiliary Services Real Estate Foundation, Inc.

Those financial statements represent part or all of the total assets, net position or fund balances, and revenues or additions of the governmental activities, the business-type activities, the aggregate discretely presented component units, the major governmental fund - general obligation bond projects fund, and the aggregate remaining fund information as reported in the following table:

Opinion Unit	Percent of Total Assets	Percent of Net Position/ Fund Balance	Percent of Total Revenues/ Additions
Governmental Activities	4%	7%	2%
Business-type Activities	2%	6%	0%
Aggregate Discretely Presented Component Units	85%	84%	94%
Governmental – General Obligation Bond Projects Fund	100%	99%	100%
Aggregate Remaining Fund Information	80%	83%	51%

Basis for Disclaimer of Opinions on Business-type Activities and Unemployment Compensation Fund

The State's Department of Labor was unable to provide sufficient appropriate audit evidence for the balances and financial activity of the receivables and payables of the unemployment compensation fund. There was a lack of internal controls over benefit payments, and we were unable to obtain sufficient appropriate audit evidence to determine or verify by alternative means whether certain paid claims met eligibility requirements. Also, as of the date of our audit report, management was still in the process of determining the balance for receivables and related payables due to overpayments of certain unemployment insurance claims. The State's records do not permit us, nor is it practical to extend or apply other auditing procedures, to obtain sufficient appropriate audit evidence to conclude that the receivable and payable balances and revenues, expenses and related cash flows in the business-type activities and unemployment compensation fund were free of material misstatement. As a result of these matters, we were unable to determine whether further audit adjustments may have been necessary in respect to the recorded or unrecorded receivables, payables, and the elements making up the statements of activities and cash flows.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, aggregate discretely presented component units, general fund, general obligation bond fund, higher education fund, state employees' health benefit fund, and aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The other auditors audited the following financial statements in accordance with GAAS but not in accordance with *Government Auditing Standards*:

Georgia Advanced Technology Ventures, Inc. and Subsidiaries
Georgia College & State University Foundation, Inc. and Subsidiaries
Georgia Gwinnett College Foundation, Inc.
Georgia Health Sciences Foundation, Inc.
Georgia Tech Athletic Association
Georgia Tech Facilities, Inc.
Georgia Tech Foundation, Inc.
Georgia Lottery Corporation
Georgia State University Athletic Association, Inc.
Georgia State University Foundation, Inc.
Kennesaw State University Foundation, Inc.
Medical College of Georgia Foundation, Inc.
Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries
The University of Georgia Foundation
University of Georgia Athletic Association, Inc.
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries
UWG Real Estate Foundation, Inc.
VSU Auxiliary Services Real Estate Foundation, Inc.

We are required to be independent of the State, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinions.

Emphasis of Matter

As described in Notes 2 and 3 to the financial statements, in 2022, the State adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The State restated beginning balances for the effect of GASB Statement No. 87. Our opinions are not modified with respect to this matter.

As discussed in Notes 2 and 3 to the financial statements, in 2022, the State restated the prior period financial statements to correct misstatements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Business-type Activities and Unemployment Compensation Fund

Our responsibility is to conduct an audit of the State's financial statements in accordance with GAAS and *Government Auditing Standards* and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinions on Business-type Activities and Unemployment Compensation Fund section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the business-type activities and the unemployment compensation fund.

We are required to be independent of the State, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Auditor's Responsibilities for the Audit of the Governmental Activities, Aggregate Discretely Presented Component Units, General Fund, General Obligation Bond Fund, Higher Education Fund, State Employees' Health Benefit Fund, and Aggregate Remaining Fund Information

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

Georgia statutes, in addition to audit responsibilities, entrust other responsibilities to the Department of Audits and Accounts. Those responsibilities include service by the State Auditor on the governing boards of various agencies, authorities, commissions, and component units of the State. The Department of Audits and Accounts elected not to provide audit services for the organizational units of the State of Georgia associated with these boards.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

We were engaged for the purpose of forming opinions on the financial statements that collectively comprise the State’s basic financial statements. The accompanying supplementary information, as listed in the table of contents, and statistical section are presented for the purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated March 7, 2023 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report will be issued under separate cover. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully,

Greg S. Griffin

Greg S. Griffin
State Auditor

March 7, 2023

STATE OF GEORGIA

CONSTITUTION

WISDOM JUSTICE MODERATION

1776

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The *Management's Discussion and Analysis* (MD&A) of the State of Georgia's *Annual Comprehensive Financial Report* presents an overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2022. It should be read in conjunction with the letter of transmittal, located in the Introductory Section of this report, and the State's financial statements, including the notes to the financial statements, which are an integral part of the statements that follow this narrative.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide

- Net Position - Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by $42.4 billion. Contributing to this amount, an excess of $1.7 billion was reported as unrestricted net position.

- Changes in Net Position - The State's total net position increased by $12.3 billion in fiscal year 2022 compared to the balances reported in the prior year. More specifically, net position of governmental activities increased by $10.2 billion while net position of business-type activities increased by $2.1 billion.

- Excess of Revenues over Expenses – Governmental Activities - The State's total revenues for governmental activities, which totaled $65.3 billion were $14.0 billion more than total expenses (excluding transfers). General revenues, which are primarily comprised of tax collections, totaled $34.7 billion, and program revenues, which primarily come from operating grants and contributions, totaled $30.6 billion.

Fund Level

- Governmental Funds – Fund Balances - The governmental funds reported combined ending fund balances of $22.9 billion. This amount represents an increase of $7.0 billion (43.9%) (as restated), when compared with the prior year. Of this total fund balance, $39.3 million (0.2%) represents nonspendable fund balance; $9.5 billion (41.3%) represents restricted fund balance; $30.7 million (0.1%) represents committed fund balance; $1.6 billion (7.0%) represents assigned fund balance; and $11.8 billion (51.4%) represents unassigned fund balance.

- General Fund – Fund Balances - The General Fund ended the fiscal year with a total fund balance of $20.0 billion, of which $11.8 billion was classified as unassigned fund balance. Total revenues an increase by $8.8 billion (15.8%) over the prior year.

- Enterprise Funds – Net position - The Enterprise Funds ended the fiscal year with a total net position of $5.8 billion. More specifically, the major funds areas with significant net positions were the Higher Education Fund of $3.7 billion, the Unemployment Compensation Fund of $1.3 billion, and the State Health Benefit Plan (SHBP) of $658.0 million.

Long-term Debt

The long-term bond debt of the primary government, prior to restatements, increased $551.7 million (4.8%) during the fiscal year. The increase represents the net difference between new issuances and maturing principal payments. The amount owed for general obligation (GO) bonds increased by $251.1 million (2.3%) for the primary government. The amount owed for Grant Anticipation Revenue Vehicle (GARVEE) bonds/revenue bonds increased $300.6 million (33.3%) for the primary government. The State issued new bonded debt during the year in the amount of $1.1 billion for the primary government. The State continues to balance the need to issue debt for capital improvements against State management's desire to maintain a conservative approach to debt management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report includes four parts: (1) management's discussion and analysis, (2) basic financial statements, (3) required supplementary information, and (4) other supplementary information. The Basic Financial Statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Financial Statements – Reporting the State as a Whole

The Statement of Net Position and the Statement of Activities together comprise the government-wide financial statements and provide a broad overview of the State's financial activities as a whole. These statements are prepared with a long-term focus using the full-accrual basis of accounting, similar to private-sector businesses. This means all revenues and expenses associated with the fiscal year are recognized regardless of when cash is spent or received, and all assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level.

The government-wide statements report the State's net position, which is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. These statements also include how these items have changed from the prior year. Over time, increases and decreases in net position measure whether the State's overall financial condition is improving or declining. In evaluating the State's overall condition, however, additional non-financial information should be considered, such as the State's economic outlook, changes in demographics, and the condition of its capital assets and infrastructure. The government-wide statements report three activities:

- Governmental Activities - The majority of the State's basic services fall under this activity, including services related to general government, education, health and welfare, transportation, public safety, economic development and assistance, culture and recreation, and conservation. Taxes and intergovernmental revenues are the major funding sources for these programs.

- Business-Type Activities - The State operates certain activities similar to private-sector businesses by charging fees to customers to recover all or a significant portion of their costs of providing goods and services. The Unemployment Compensation Fund, the self-insured SHBP, and the Higher Education Fund are some examples of business-type activities. The Higher Education Fund consists of the University System of Georgia (USG) and the Technical College System of Georgia.

- Component Units - Certain organizations are legally separate from the State; however, the State remains financially accountable for them. The Georgia Environmental Finance Authority, Georgia Housing and Finance Authority, and Georgia Lottery Corporation are examples of component units.

Fund Financial Statements – Reporting the State's Most Significant Funds

The fund financial statements provide detailed information about individual major funds, not the State as a whole, and are located in the Basic Financial Statements – Fund Financial Statements section. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other state and local governments, uses funds to ensure and demonstrate compliance with finance-related and legal requirements. All of the State funds are divided into three types, each of which use a different accounting approach and should be interpreted differently:

- Governmental Funds - Most of the basic services provided by the State are financed through governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, and focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These statements provide a detailed short-term view of the State's finances that assist in determining whether there will be adequate financial resources available to meet the current needs of the State.

- Proprietary Funds - The Proprietary funds, which include enterprise funds and internal service funds, account for state activities that are similar to private-sector businesses. Like government-wide statements, proprietary fund statements are presented using the full-accrual basis of accounting. Activities whose customers are mostly outside of state government are accounted for in enterprise funds and are the same functions reported as business-type activities. The enterprise fund financial statements provide more detail and additional information than in the government-wide statements, such as cash flows. Activities whose customers are mostly other state organizations are accounted for in internal service funds. The internal service fund activities are allocated proportionately between the governmental activities (predominately) and the business-type activities in the government-wide statements based on the benefit of the services provided to those activities.

- Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the state government. The State is responsible for ensuring these assets are used for their intended purposes. Fiduciary funds use full-accrual accounting but are not reflected in the government-wide financial statements because the resources from these funds are not available to support the State's own programs.

Reconciliation between Government-wide and Fund Statements

This report also includes two schedules that reconcile and explain the differences between the amounts reported for the governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with the amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). The schedules are located in the Basic Financial Statements – Fund Financial Statements – Governmental Funds section. The following explanations represent some of the reporting differences between the two statements:

- Capital outlays result in capital assets on the government-wide statements but are reported as expenditures in the governmental fund financial statements.

- Bond proceeds are recorded as long-term debt on the government-wide statements but are listed as current financial resources on the governmental fund statements.

- Net pension and other postemployment (OPEB) assets/liabilities are reported on the government-wide statements but are not reported on the governmental fund statements.

Notes to the Financial Statements

The notes to the financial statements located at the end of the basic financial statements section provide additional information essential to a complete understanding of the financial statements. The notes are applicable to both the government-wide financial statements and the fund financial statements.

Required and Other Supplementary Information

In addition to this MD&A, the basic financial statements are followed by a section containing other required supplementary information which further explains and supports the information in the financial statements. This section of the report includes: (1) a budgetary comparison schedule of the General Fund (Budget Fund), including reconciliations of revenues and expenditures on the statutory and GAAP basis for the fiscal year, (2) information on the State's public entity risk pool, (3) information on the State's defined benefit pension plans and (4) information on the State's OPEB plans. Other supplementary information includes combined financial statements for the State's nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds and non-major component units. The total columns of these combined financial statements carry forward to the applicable fund financial statements.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

Governmental entities are required by Generally Accepted Accounting Principles (GAAP) to report on their net position. The *Statement of Net Position* presents the value of all of the State's assets and deferred outflows of resources, as well as all liabilities and deferred inflows of resources, with the difference reported as net position.

As shown in Table 1 on the following page, the State reported a total net position of $42.4 billion, which is comprised of $29.7 billion in net investment in capital assets, $11.1 billion in restricted net position, and an unrestricted portion of net position excess of $1.7 billion.

Based on the positive balance in unrestricted net position, funds were available to the state for discretionary purposes which has not been the case in prior years. A significant contributing factor was a sharp increase in tax and other revenue collections, which contributed to the state exceeding the maximum legal limit of state general receipts with the excess reported as surplus. This excess was offset by a sharp decline in grant funding, due to the ending of a federal unemployment program related to Covid-19.The following table was derived from the current and prior year government-wide *Statement of Net Position*.

(Table on next page)

Table 1 - Net Position
As of June 30, 2022 and 2021 (amounts in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets						
Non-Capital Assets	$ 40,908,914	$ 29,982,408	$ 6,926,820	$ 5,480,053	$ 47,835,734	$ 35,462,461
Capital and Right-to-Use Assets, net	27,676,650	26,291,186	12,325,498	11,550,357	40,002,148	37,841,543
Total Assets	68,585,564	56,273,594	19,252,318	17,030,410	87,837,882	73,304,004
Deferred Outflows of Resources	1,692,724	1,256,774	2,099,742	2,174,721	3,792,466	3,431,495
Liabilities						
Noncurrent Liabilities	15,211,157	17,217,404	10,548,885	13,243,047	25,760,042	30,460,451
Current Liabilities	13,480,546	12,476,323	1,482,770	1,279,759	14,963,316	13,756,082
Total Liabilities	28,691,703	29,693,727	12,031,655	14,522,806	40,723,358	44,216,533
Deferred Inflows of Resources	4,735,679	1,197,489	3,801,272	1,246,268	8,536,951	2,443,757
Net Position						
Net Investment in Capital Assets (1)	23,922,912	23,070,070	9,103,939	8,593,594	29,653,291	28,290,100
Restricted	8,797,900	7,834,065	2,258,572	1,689,450	11,056,472	9,523,515
Unrestricted (1)	4,130,094	(4,264,983)	(5,843,378)	(6,846,987)	1,660,276	(7,738,406)
Total Net Position	$ 36,850,906	$ 26,639,152	$ 5,519,133	$ 3,436,057	$ 42,370,039	$ 30,075,209
Percent Change in Total:						
Net Position from Prior Year	38.3 %		60.6 %		40.9 %	
Percent Change after Restatements	38.2 %		59.2 %		40.6 %	

(1) Refer to Note 4 for additional details

Note: Prior year adjustments recorded in the current year have not been reflected in the prior year column in the table above.

Net position for governmental activities as originally reported increased by $10.2 billion (38.3%), and also increased by $10.2 billion (38.2%), when adjusted for restatements. The excess unrestricted balance of $4.1 billion is primarily the result of the following types of transactions:

- The State continues to issue general obligation debt for the purposes of capital acquisition and construction on behalf of independent school systems, business-type activities, component units and State schools. Since the issuance of this debt does not result in capital assets acquisitions for governmental activities, the debt of $5.8 billion is not reflected in the net position category, net investment in capital assets, but rather in the unrestricted net position category.

- GASB Statement No. 68 (GASB 68), as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2022, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $3.0 billion impact to unrestricted net position.

- GASB Statement No. 75 (GASB 75), as related to OPEB, required the State to recognize its proportionate share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2022, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $958.0 million impact to unrestricted net position.

- The above excess net position includes $5.3 billion in Revenue Shortfall Reserves (RSR) and an additional $7.0 billion that was in excess of the 15% legal limit in the RSR.

Net position for business-type activities as originally reported increased by $2.1 billion (60.6%), and also increased by $2.1 billion (59.2%), when adjusted for restatements. The deficit unrestricted balance of $5.8 billion is due to primarily to net pension and OPEB liabilities as follows:

- GASB 68, as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2022, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $2.8 billion impact to unrestricted net position.

- GASB 75, as related to OPEB, required the State to recognize its proportionate share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2022, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $5.1 billion impact to unrestricted net position.

Changes in Net Position

The revenue and expense information, as shown in Table 2 on the following page, was derived from the government-wide *Statement of Activities* and summarizes the State's total revenues, expenses and changes in net position for fiscal year 2022. Consistent with the prior year, the State received a majority of its $77.9 billion in revenues from taxes and operating grants and contributions. Expenses of the primary government during fiscal year 2022 were $65.7 billion with the decrease over the prior year driven largely by a sharp reduction in unemployment benefit payments due to the termination of the federal program related to the COVID-19 pandemic being terminated at the end of fiscal year 2021. As a result of the excess revenues over expenses, the total net position of the primary government increased by $12.2 billion, before contributions to permanent endowments and transfers.

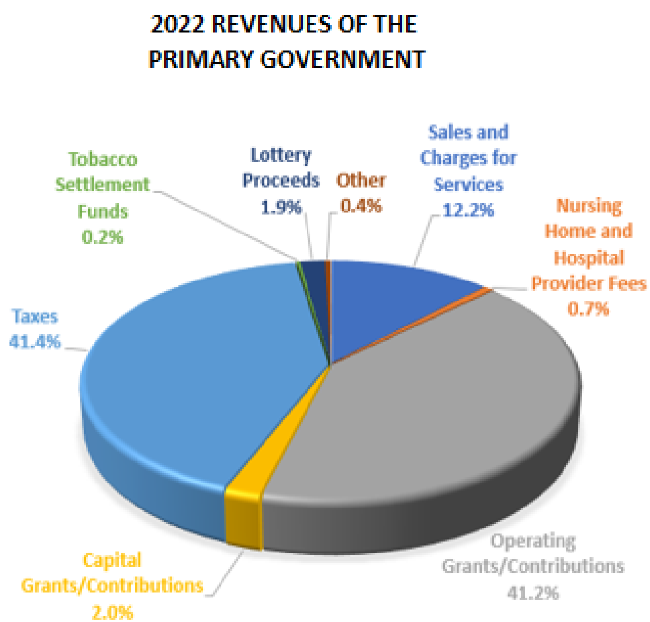
(Table on next page)

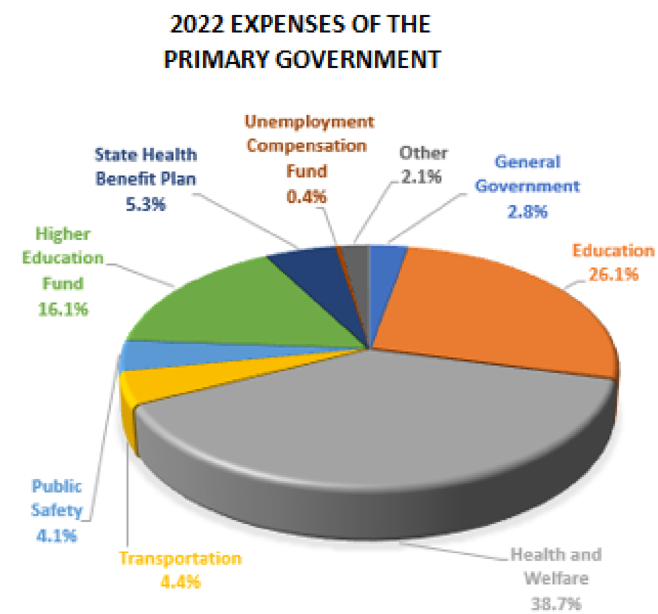
Table 2 - Changes in Net Position
For the Years Ended June 30, 2022 and 2021 (amounts in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2021 to 2022
Revenues:							
Program Revenues:							
Sales and Charges for Services	$ 1,973,378	$ 1,429,602	$ 7,509,746	$ 7,181,240	$ 9,483,124	$ 8,610,842	10.1%
Operating Grants/Contributions	27,055,205	23,237,101	5,030,248	15,698,794	32,085,453	38,935,895	(17.6%)
Capital Grants/Contributions	1,522,385	1,580,949	54,308	27,227	1,576,693	1,608,176	(2.0%)
General Revenues:							
Taxes	32,221,501	26,949,020	—	—	32,221,501	26,949,020	19.6%
Lottery for Education - Lottery Proceeds	1,474,003	1,544,954	—	—	1,474,003	1,544,954	(4.6%)
Nursing Home and Hospital Provider Fees	525,555	519,078	—	—	525,555	519,078	1.2%
Tobacco Settlement Funds	180,573	175,995	—	—	180,573	175,995	2.6%
Unrestricted Investment Income	(24,622)	15,468	—	—	(24,622)	15,468	(259.2%)
Unclaimed Property	129,263	179,098	—	—	129,263	179,098	(27.8%)
Other	217,998	171,346	—	—	217,998	171,346	27.2%
Total Revenues	65,275,239	55,802,611	12,594,302	22,907,261	77,869,541	78,709,872	(1.1%)
Expenses:							
General Government	1,858,419	2,305,031	—	—	1,858,419	2,305,031	(19.4%)
Education	17,159,895	16,048,419	—	—	17,159,895	16,048,419	6.9%
Health and Welfare	25,394,670	22,446,647	—	—	25,394,670	22,446,647	13.1%
Transportation	2,877,965	2,602,147	—	—	2,877,965	2,602,147	10.6%
Public Safety	2,678,996	2,196,467	—	—	2,678,996	2,196,467	22.0%
Economic Development and Assistance	600,685	492,212	—	—	600,685	492,212	22.0%
Culture and Recreation	328,455	296,593	—	—	328,455	296,593	10.7%
Conservation	76,462	65,701	—	—	76,462	65,701	16.4%
Interest and Other Charges on Long-Term Debt	335,152	415,166	—	—	335,152	415,166	(19.3%)
Higher Education Fund	—	—	10,541,832	10,208,186	10,541,832	10,208,186	3.3%
State Health Benefit Plan	—	—	3,477,097	3,173,666	3,477,097	3,173,666	9.6%
Unemployment Compensation Fund	—	—	253,672	12,925,409	253,672	12,925,409	(98.0%)
Nonmajor Enterprise Funds	—	—	67,034	87,827	67,034	87,827	(23.7%)
Total Expenses	51,310,699	46,868,383	14,339,635	26,395,088	65,650,334	73,263,471	(10.4%)
Increase (Decrease) in Net Position Before Contributions and Transfers	13,964,540	8,934,228	(1,745,333)	(3,487,827)	12,219,207	5,446,401	
Contributions to Permanent Endowments	—	—	11,817	731	11,817	731	
Transfers	(3,785,712)	(2,871,515)	3,785,712	2,871,515	—	—	
Change in Net Position	10,178,828	6,062,713	2,052,196	(615,581)	12,231,024	5,447,132	
Net Position July 1 - Restated	26,672,078	20,576,439	3,466,937	4,051,638	30,139,015	24,628,077	
Net Position June 30	$ 36,850,906	$ 26,639,152	$ 5,519,133	$ 3,436,057	$ 42,370,039	$ 30,075,209	40.9 %

Note: Prior year adjustments recorded in the current year have not been reflected in the prior year column in the table above.

(Charts on next page)





Governmental Activities

As part of the CARES Act in fiscal year 2020, the State of Georgia received \$3.5 billion of Coronavirus Relief Funds. In fiscal year 2022 the State recognized the remaining \$821.2 million of these funds.

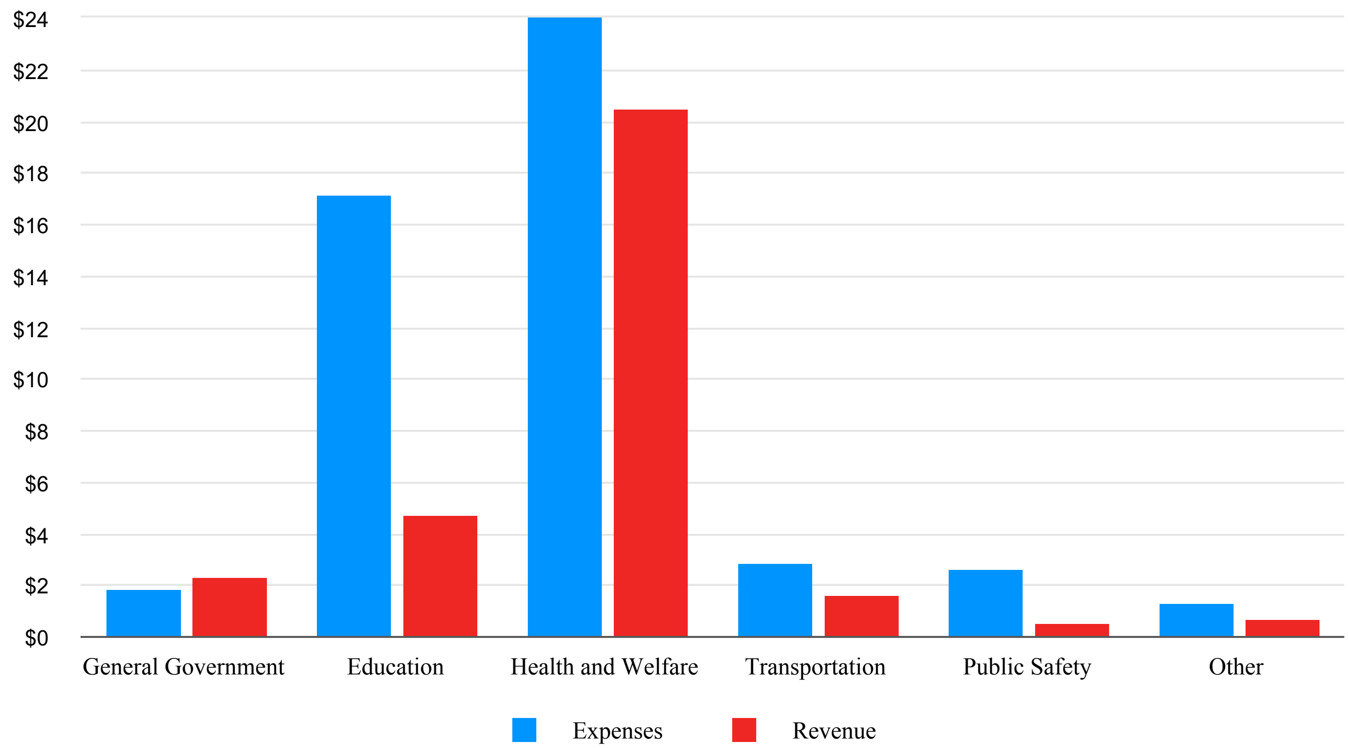
In addition, under the American Rescue Plan Act ARP; P.L. 117-2 (ARPA) of 2021, the State of Georgia received from the federal government a second tranche of funds in the amount of \$2.4 billion in fiscal year 2022, and \$4.6 billion of the total cash received is reported as unearned revenue.

The State's total revenues for governmental activities from all sources increased by \$9.5 billion (17.0%). The primary driver of this change was an increase in operating grants and contributions of \$3.8 billion (16.4%) as well as \$479.0 million in federal Opioid funding. Also, there was an increase in tax revenue totaling \$5.3 billion primarily due to a growing economic recovery and increase in jobs in high-wage sectors. Governmental Activities expenses increased by \$4.4 billion primarily as a result of cost-of-living adjustments approved by the state legislature as well as increases in education due increases in federal Covid-related programs and health and welfare expenditures due to increased program utilization and associated costs.

The following table shows to what extent program revenues (charges for services and grants) covered program expenses. During fiscal year 2022, program revenues covered \$30.6 billion (59.5%) of the \$51.3 billion in total program expenses. For the remaining \$20.8 billion (40.5%) of the total program expenses, the State relied on taxes and other general revenues.

(Charts on next page)

Table 3 – Net Program Revenue
For the Year Ended June 30, 2022 (amounts in billions)



Business-type Activities

Net position of business-type activities (as restated) increased by $2.1 billion (59.2%) during the fiscal year. This increase, primarily due to an increase in federal grants, was due to the receipt of current year HEERF funds (CARES Act) totaling $3.7 million at the University System of Georgia (USG) and $728.4 million of prior year HEERF funds recognized as current year revenue. Likewise, the state experienced an increase in revenues in the State Health Benefit Plan (SHBP), which was primarily the result of a $22.9 million increase in operating contributions/premiums. Additionally, the Unemployment Compensation Fund's (UI) net position increased by $910.9 million due to CARES Act funding received in the amount of $590.0M in fiscal year 2022. Furthermore, UI collections were greater than expenses by $333.5 million due to the end of the federal benefit payments program related to Covid-19.

The increases above were offset by a $296.6 million increase in SHBP costs and a $413.1 increase in Higher Education expenditures.

In comparison to prior year, the State’s business-type activities revenues decreased by $10.3 billion (45.0%) and expenses decreased $12.1 billion (45.7%), largely due to the termination of the federal unemployment program related to Covid-19 .

In fiscal year 2022, business-type activities expenses were funded 87.8% from program revenues compared to 86.8% in the prior year. The remaining expenses were funded by $3.8 billion in transfers from governmental activities, of which the majority were State Appropriations to the Higher Education Fund.

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

Fund Balances

At June 30, 2022, the State's governmental funds reported a combined ending fund balance of $22.9 billion. Of this amount $9.5 billion (41.3%) is restricted for specific programs by constitutional provisions, external constraints, or contractual obligations and $11.8 billion (51.4%) of fund balance is unassigned.

General Fund

The General Fund is the chief operating fund of the State and had a total fund balance of $20.0 billion as of fiscal year end. The net change in fund balance, prior to restatements, during the fiscal year was an increase of $6.7 billion (50.0%). The following major revenues, expenditures and other sources/uses contributed to the change in fund balance:

- Revenues - Revenues of the General Fund totaled $64.1 billion in the fiscal year, an increase of $8.8 billion (15.8%) over the prior year. Consistent with a a strong labor market recovery and an industry shift to higher wage jobs, tax revenues represented the the primary increase in revenues. Notable components of this increase were increases in individual tax withholding and estimated tax payments. These increases were partially offset by a one-time income tax refund totaling $904.9 million. The State also recognized increases in sales and use tax and corporate tax collections due to a growing economy and continued economic recovery.

- Expenditures - Expenditures of the General Fund totaled $51.8 billion in the fiscal year, an increase of $5.2 billion (11.3%) over the prior year.

    - Education expenses increased $1.3 billion primarily due to COVID-related education plans and cost of living adjustments for employees.

    - Health and welfare increased by $3.0 billion. An increase of $1.9 billion at the Department of Community Health was due to increases in enrollment in health programs resulting in higher utilization costs. Additionally, the Department of Human Services also reported a $1.2 billion increase in expenses due to an increase food assistance non-monetary donations provided.

Capital Project Fund - General Obligation Bond Projects Fund

Fund balance in the General Obligation Bond Projects Fund increased by $176.0 million (12.2%) from the prior year. This was primarily the result of general revenues, debt issuances and transfers exceeding capital expenditures and transfers out. Capital outlay expenditures decreased by $26.9 million (3.4%) from the prior year.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS

Higher Education Fund

The total net position of the Higher Education Fund (as restated) increased $1.2 billion (50.3%).

Operating revenues of the Higher Education Fund increased by $322.2 million (5.7%). This was primarily due to the return to in-person events and activities beginning in the fall of 2021. The resumption of pre-Covid-19 campus operations resulted in an overall increase to sales and services, as well as auxiliary.

Operating expenses increased by $248.8 million (2.5%) primarily primarily due to the return to in person instruction, other events and activities beginning fall 2021 on campuses system-wide, as mentioned previously.

Nonoperating revenues (net of expenses) increased $405.1 million (29.2%) primarily due to federal HEERF funds received. The University System of Georgia was awarded a one-time funding of $282.6 million through the CARES Act in fiscal year 2020 (HEERF I) $1.3 billion in HEERF II and III awards in fiscal year 2021 and a further $3.7 million through SSARP as part of HERF II in fiscal year 2022. Of these funds, $728.4 million was recognized as revenue in fiscal year 2022.

Capital grants and contributions increased $197.7 million (70.8%), primarily due to Georgia State Financing and Investment Commission (GSFIC) managed projects that were completed and transferred to the USG during current fiscal year being greater than those transferred in the prior fiscal year.In fiscal year 2022, GSFIC transferred 11 completed projects as compared to six from the prior year.

In addition, the Higher Education Fund received an increase of $437.0 million (16.1%) of transfers in, primarily related to the $5,000 cost-of-living adjustment for full-time state funded employees

State Health Benefit Plan

Operating revenues for SHBP increased by $22.9 million (0.7%) and operating expenses increased by $303.4 million (9.6%), which resulted in a corresponding decrease in operating income of $280.5 million. The decrease in operating income is largely due to a considerable increase in membership and associated federal matching revenue in the program over the last two years, which resulted in increased utilization and program costs.

Unemployment Compensation Fund

Georgia's unemployment rate decreased from 4.5% to 3.3% in fiscal year 2022. Consistent with the State's strong labor market recovery and moving beyond the impact of the pandemic, unemployment claims were significantly lower during the year and expenses sharply decreased $12.7 billion (98.0%) this year as compared to the prior year. In fiscal year 2021, the federal unemployment program funds related to COVID-19 were exhausted, representing an end to the program. In fiscal year 2022, there were no payments related to the terminated federal program. The corresponding revenue, primarily comprised of federal funding, decreased by $10.5 billion (94.7%) due to an end to terminated federal program. During the fiscal year, the unemployment fund's nonoperating revenues decreased by $618.7 million as well, due to a decrease in funds from the CARES Act. In fiscal year 2022 ending net position increased by $910.9 million, returning closer to pre-pandemic levels.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The State's capital assets, prior to restatements, increased by a net $782.4 million (2.1%) during the year. The change consisted of a net increase in infrastructure of $311.8 million, as well as net increases in land and buildings of $228.2 million and $1.6 million, respectively and decreases in software and machinery and equipment of $33.5 million and $40.4 million, respectively Additionally, construction in progress increased by $299.9 million.

At June 30, 2022, the State had General Fund commitments of $1.3 billion and Capital Project Fund commitments of $2.3 billion for highway infrastructure and bridge construction. The State Road and Tollway Authority had $888.7 million of commitments, which is comprised of $697.1 million for the I-20 East Interchange Reconstruction Project, $113.7 million for the I-16 at I-95 Interchange and I-16 Widening from I-95 to I-516 Reconstruction Project and $77.8 million for the I-285 at SR 400 Interchange Reconstruction Project. Also, the USG had $775.8 million in outstanding encumbrances as fiscal year end. In addition to these encumbrances, the USG had other significant unearned outstanding construction or renovation contracts in the amount of $25.1 million executed as of June 30, 2022.

Additional information on the State's capital assets can be found in *Note 9 – Capital Assets and Intangible-Right-to-Use Assets* of the Notes to the Financial Statements section of this report.

Table 4 - Capital Assets, Net of Accumulated Depreciation

As of June 30, 2022 and 2021 (amounts in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Buildings/Building Improvements	$ 2,231,766	$ 2,413,244	$ 9,687,536	$ 9,504,457	$ 11,919,302	$ 11,917,701
Improvements Other Than Buildings	132,864	126,640	240,079	234,057	372,943	360,697
Infrastructure	14,013,517	13,695,232	227,769	234,222	14,241,286	13,929,454
Intangibles - Other Than Software	137,817	133,427	—	—	137,817	133,427
Land	5,103,462	4,881,106	513,582	507,732	5,617,044	5,388,838
Library Collections	—	—	163,970	167,243	163,970	167,243
Machinery and Equipment	424,048	482,178	593,396	575,617	1,017,444	1,057,795
Software	234,221	250,074	92,586	110,261	326,807	360,335
Works of Art and Collections	1,421	1,400	63,656	62,284	65,077	63,684
Construction in Progress	4,533,421	4,307,885	228,844	154,484	4,762,265	4,462,369
Total	$ 26,812,537	$ 26,291,186	$ 11,811,418	$ 11,550,357	$ 38,623,955	$ 37,841,543

Note: Prior year adjustments recorded in the current year have not been reflected in the prior year column in the table above.

During fiscal year 2022, the State implemented GASB Statement No.87, Leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. As of June 30, 2022, the State's Intangible Right-To-Use Assets totaled $1.4 billion.

(Table on next page)

Table 5 - Intangible Right-To-Use Assets, Net of Accumulated Amortization As of June 30, 2022 and 2021 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	$ 182	$ —	$ 1,634	$ —	$ 1,816	$ —
Infrastructure	3	—	1,481	—	1,484	—
Buildings and Building Improvements	602,308	—	495,195	—	1,097,503	—
Improvements Other Than Buildings	—	—	6,009	—	6,009	—
Machinery and Equipment	261,620	—	9,770	—	271,390	—
Software	—	—	(9)	—	(9)	—
Total	$ 864,113	$ —	$ 514,080	$ —	$ 1,378,193	$ —

Note: Prior year adjustments recorded in the current year have not been reflected in the prior year column in the table above.

Debt Administration

The Constitution authorizes issuing general obligation debt only as approved by the legislature and prohibits the issuance of general obligation bonds for operating purposes. The Constitution requires the State to maintain a reserve sufficient to pay annual debt service requirements on all general obligation debt. If for any reason the reserve balance is insufficient to make all debt service payments when due, the first revenues received thereafter in the General Fund will be set aside for such use. The Constitution also stipulates that no debt may be incurred when the highest aggregate annual debt service requirements for any year for outstanding general obligation debt and guaranteed revenue debt, including proposed debt, exceed 10% of the total revenue receipts, less refunds in the state treasury, in the fiscal year immediately preceding the year in which any such debt is to be incurred. At June 30, 2022, the State was $1.7 billion below the annual debt service limit established by the Constitution.

Table 6 - Net Outstanding Bond Debt As of June 30, 2022 and 2021 (amounts in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	$10,947,663	$10,696,568	$ —	$ —	$10,947,663	$10,696,568
GARVEE Bonds	549,914	604,046	—	—	549,914	604,046
Revenue Bonds	43,224	66,185	610,031	232,337	653,255	298,522
	$11,540,801	$11,366,799	$ 610,031	$ 232,337	$12,150,832	$11,599,136

Note: Prior year adjustments recorded in the current year have not been reflected in the prior year column in the table above.

At the end of the fiscal year, the State had $12.2 billion in total outstanding bonded debt. Of this amount $11.0 billion (net of premiums and discounts) (90.5%), is secured by the full faith and credit of the government for general obligation bonds and guaranteed revenue bonds; $610.0 million (5.0%), is secured primarily by lease arrangements with the Board of Regents or applicable security deed and related assignment of contract documents; and $549.9 million (4.5%) in State Road and Tollway Authority GARVEE bonds is secured by Federal Highway Administration grant funds and state motor fuel funds.

Total general obligation bonds, GARVEE bonds, and revenue bonds payable, net of premiums and discounts, increased $251.1 million (2.3%), decreased $54.1 million (9.0%), and increased $354.7 million (118.8%) respectively, prior to restatements. During the fiscal year, the State issued $1.1 billion of GO bonds, excluding premiums, discounts, and refunding issues. Of the general obligation bonds issued, $264.1 million for K-12 school facilities, $362.8 million was issued for higher education facilities, $112.5 million for transportation projects, $147.6 million for economic development, $155.9 million for public safety, $11.6 million for public libraries, $12.0 million for water and sewer loans to local governments, and $30.3 million for various state agency capital projects.

The State maintains a triple-A bond rating on its general obligation debt from all three national rating agencies. These ratings, the highest available, help the State achieve the lowest possible interest rates. Additional information regarding the State's outstanding debt can be found in *Note 10 – Long-Term Liabilities* of the notes to the financial statements section.

BUDGETARY HIGHLIGHTS

Fiscal Year 2022 Budget Highlights

The Amended Fiscal Year 2022 (AFY 2022) appropriations bill was signed by the Governor on March 16, 2022 as passed by the General Assembly.

Revenues

The AFY 2022 budget increased the revenue estimate over the original budget by $2.8 billion in general fund revenue, based on FY 2021 actual revenue performance. The Amended budget prioritized restoring funds for K-12 education, funding retention initiatives for teachers and state employees, and maximizing one-time investment opportunities.

(Table on next page)

Revenue Estimates Since FY 2021

(In millions)

	AFY 2021 Estimate	FY 2021 Actuals	FY 2022 Original Estimate	FY 2022 Gov Revised (Enacted)	AFY 2022 Estimate	Change Over FY 2021 Actuals	FY 2023 Estimate	Change Over AFY 2022 Estimate
General Funds								
Taxes: Revenue								
Income Tax - Individual	$ 12,469.38	$ 14,220.90	$ 12,738.71	$ 12,738.71	$ 14,111.59	-0.8%	$ 14,101.90	-0.1%
Income Tax - Corporate	788.64	1,750.73	880.78	880.78	1,425.77	-18.6%	1,395.56	-2.1%
Sales and Use Tax-General	6,197.14	6,947.33	6,649.08	6,649.08	7,305.94	5.2%	7,402.31	1.3%
Motor Fuel	1,897.96	1,781.68	1,954.04	1,954.04	1,954.04	9.7%	2,002.88	2.5%
Tobacco Taxes	240.00	242.89	240.00	240.00	240.00	-1.2%	237.00	-1.3%
Alcoholic Beverages Tax	235.00	227.87	239.70	239.70	239.70	5.2%	245.00	2.2%
Estate Tax	-	-	-	-	-		-	
Property Tax	-	0.17	-	-	-		-	
Motor Vehicle License Tax	385.00	406.89	350.00	350.00	390.00	-4.2%	370.00	-5.1%
Title Ad Valorem Tax	600.00	732.16	598.00	598.00	700.00	-4.4%	650.00	-7.1%
Insurance Premium Tax	540.00	538.11	550.80	550.80	550.80	2.4%	560.00	1.7%
Total Net Taxes	**$23,353.12**	**$26,848.73**	**$24,201.11**	**$24,201.11**	**$26,917.84**	**0.3%**	**$26,964.65**	**0.2%**
Total Interest Fees and Sales	**1,493.28**	**1,743.07**	**1,574.48**	**1,582.12**	**1,656.11**	**-5.0%**	**1,668.85**	**0.8%**
Total State General Funds	**$24,846.40**	**$28,591.80**	**$25,775.59**	**$25,783.23**	**$28,573.95**	**-0.1%**	**$28,633.50**	**0.2%**
Lottery Funds	1,301.32	1,546.87	1,319.16	1,319.16	1,322.42	-14.5%	1,418.73	7.3%
Tobacco Settlement Funds	160.56	176.07	148.47	148.47	148.50	-15.7%	148.53	0.0%
Brain and Spinal Injury Trust Fund	1.43	1.43	1.36	1.36	1.36	-4.7%	1.61	18.1%
Safe Harbor for Children Trust Fund	0.30	0.30	0.35	0.35	0.35	17.0%	0.11	-68.7%
Other State Revenue	-	0.08	-	-	-		-	
Total State Treasury Receipts	**$26,310.01**	**$30,316.55**	**$27,244.93**	**$27,252.57**	**$30,046.58**	**-0.9%**	**$30,202.48**	**0.5%**
Supplemental Fund Sources								
Return of Audited Surplus	1.91	456.43	-	-	-		-	
Revenue Shortfall Reserve	-	-	-	-	-		-	
Mid-year Adjustment Reserve	254.79	254.79	-	-	285.92	12.2%	-	
TOTAL STATE TREASURY RECEIPTS	**$26,566.71**	**$31,027.77**	**$27,244.93**	**$27,252.57**	**$30,332.50**	**-2.2%**	**$30,202.48**	**-0.4%**

Source: Governor's Office of Planning and Budget

Expenditures

The Amended budget prioritized restoring funds for K-12 education, funding retention initiatives for teachers and state employees, and maximizing one-time investment opportunities.

Over $1 billion for the Department of Education for K-12 education, including:

- $383 million austerity restoration for the K-12 Quality Basic Education funding formula
- $188 million for local schools to replace out of cycle school buses over 3 years
- $405 million to provide a $2,000 supplement for teachers and support staff

Employee retention and recruitment:

- $556 million to provide a $5,000 cost-of-living adjustment to state and University System employees
- $230 million for the State Health Benefit Plan

Capital and economic investments:

- $432.5 million for the state prison facility transformation initiative
- $175 million for vehicle and equipment replacement, facility rehabilitation and repair, and project design funding
- $45 million to consolidate state agency rental space on Capitol Hill
- $83 million for the Department of Transportation to provide the match for the federal Infrastructure Investment and Jobs Act (IIJA)
- $112.6 million for land acquisition and development in support of the Rivian, Inc. economic development project
- $378 million to prepay July debt service in June to ensure maximum flexibility and provide additional safeguards in making debt payments

Georgia's fiscal year 2022 (July 1, 2021 through June 30, 2022) was a period of pandemic normalization and strong economic growth as Georgia businesses and residents finished adapting to Covid. Unemployment fell to record lows as businesses struggled to find enough workers to either fuel their growth or replace ones laid off earlier in the pandemic. This strong economy led to record tax revenues and to large gains in personal income as workers became major beneficiaries of the tight labor market, receiving much higher wage increases than were common for the decade since the recession of 2007-2009. Consumer spending was strong, helped both by inflation and untangling of worldwide supply chains. Overall, Georgia's economy in 2022 was exceedingly strong and shows signs of being able to resist any slowdown brought on by the Federal Reserve's policy of raising interest rates to return inflation back to normal.

Revenue Shortfall Reserve (RSR)

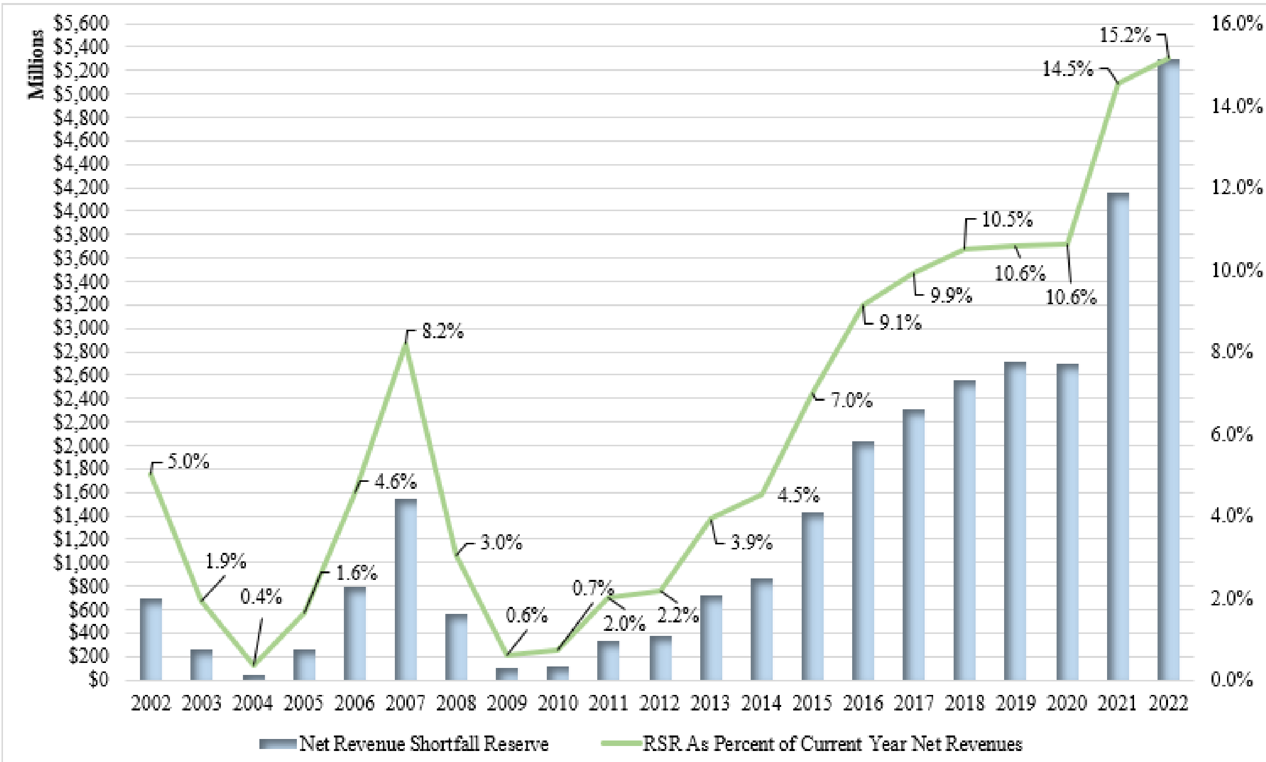
The RSR provides for the sound management of excess revenue collections in any given fiscal year. By statute, all surplus State funds existing at the end of each fiscal year shall be reserved and added to the RSR. Each fiscal year, the General Assembly may appropriate from the RSR an amount up to 1% of the net revenue collections of the preceding fiscal year for funding increased K-12 education needs. Also, the Governor may release for appropriation by the General Assembly a stated amount of reserve funds in the RSR that are in excess of 4% of the net revenue collections of the preceding fiscal year. The RSR cannot exceed 15% of the previous fiscal year's net revenue collections.

By statute, 1% of fiscal year 2022 state general fund receipts/net revenue collections ($349.3 million) is available from the RSR for the mid-year K-12 education appropriation adjustment in the amended fiscal year 2023 budget. This amount had not been appropriated as of the date of this report, however, it has been included in the chart below.

The ending balance in the Revenue Shortfall Reserve (RSR), or "rainy day" fund, is a critical tool in helping to address budget shortfalls. While combating the impact of inflation and warnings of a potential recession, the State remained focused on maintaining the RSR. After adjusting for the current year agency lapse less the mid-year adjustment for education, the RSR balance as of June 30, 2022 is $5.3 billion. Current state law provides that the reserve cannot exceed 15% of the previous fiscal year's net revenue. In fiscal year 2022, the 15% legal limit was exceeded and the receipts in excess of the 15% ($7.0 billion) were reported as unreserved, undesignated surplus. Prior to mid-year adjustment for education, this increase in the RSR represents a sharp increase of $951.5 million from fiscal year 2021, and after the mid-year adjustment for education, an increase of $696.7 million from fiscal year 2021.

(Graph on next page)

Revenue Shortfall Reserve as a Percentage of State General Fund Receipts
(in millions)



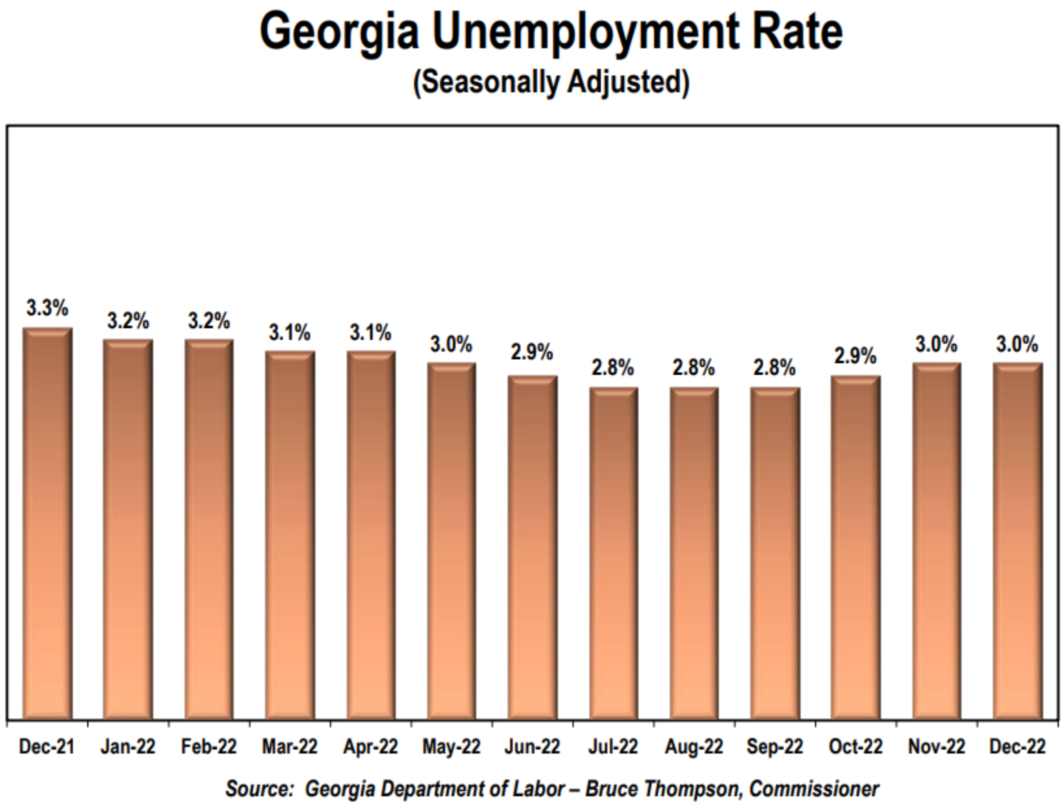
Source: State Accounting Office

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

<u>Economic Outlook</u>

The major economic story of 2022 was the strength in the Georgia labor force. Total employment grew by 270,000 during the fiscal year and jobs moved toward higher paying sectors. Combined with higher than normal raises due to the high inflation, wages and salaries earned in Georgia (as measured by income tax withholding) grew at just over 10% in fiscal year 2022 (see figure) while the number of people with jobs grew by 5.9%. This strong labor market for workers has seen jobs grow particularly in the professional services, information technology, trade, transportation, and warehousing, and financial sectors. The record low unemployment rate of 2.8% experienced in the summer and early fall has left many service sector employers still struggling to find workers, but conditions in that regard appear to be improving somewhat more recently.

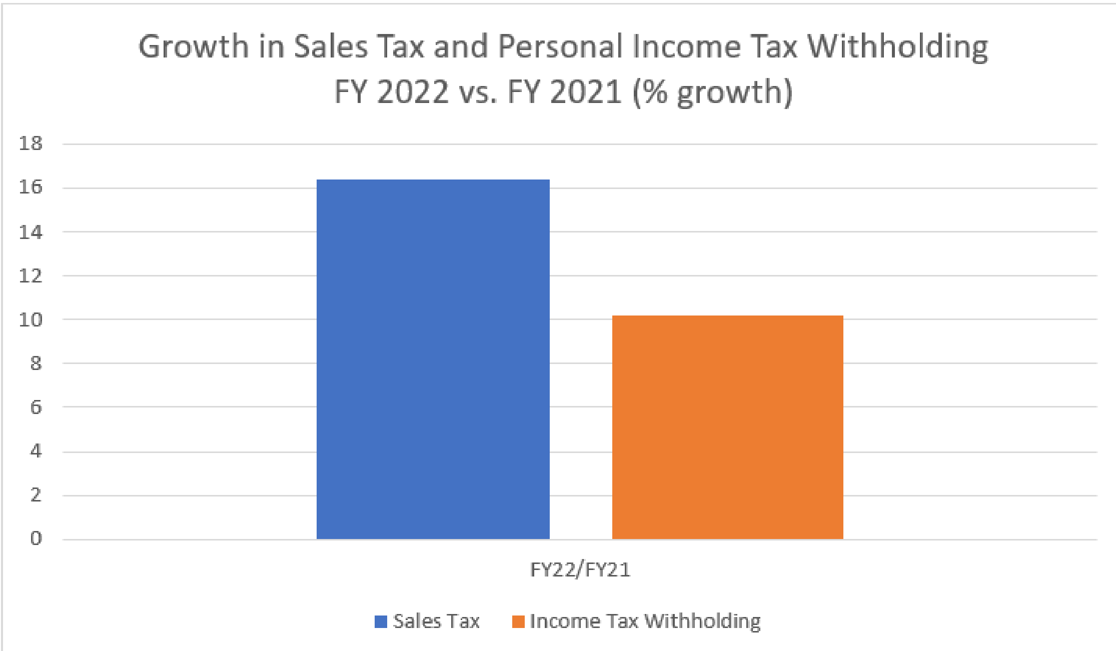
(Chart on next page)



The labor market strength combined with the excess savings remaining from the pandemic lockdown phase and the federal stimulus checks of 2020 and 2021 have led to a very strong consumer sector in Georgia. This can be seen in the 16% growth in sales tax collections for fiscal year 2022 over fiscal year 2021 (see figure), considerably above the rate of inflation. In general, retail sales in Georgia accelerated in April 2021 and have been surging ever since. While the excess savings families built up in the first year of the pandemic have declined, Georgia consumers have an estimated $50 billion more than would have been expected, with those extra checking and savings account balances still present among households of all income levels. This strong continuation of consumer spending and remaining excess savings suggest that Georgia families are well situated to weather any potential economic slowdown in 2023.

Heading into fiscal year 2023, Georgia’s economy faces headwinds due to challenges impacting the national economy, including higher interest rates, labor shortages, and a possible decline in federal government spending. While many signs point to an economic slowdown, how severe the slowdown will be is uncertain given the unprecedented nature of the ongoing global pandemic. However, continued limitations on supply chains, businesses reluctant to lay off workers in a tight jobs market, and the remaining excess savings held by American consumers all suggest that any economic slowdown will be moderate. Georgia's position as a logistic hub (airport, port, and interstate) and Georgia’s very diverse economy should allow Georgia to weather any storm better than the nation as a whole. Thus, while 2023 is unlikely to see growth equal to that experienced in 2021 or 2022, the economy will remain strong even if weaker than it was in fiscal year 2022.

Georgia, thus, should continue to have a solid economy in fiscal year 2023, with continued businesses expansion, additional wage growth, and maintaining consumer spending as savings continue to regularize and inflation slowly returns to a more normal level.



Note: Data from Office of the State Treasurer. September 2020 (FY2021) was artificially depressed by the payment of a large sum to local governments as part of reconciliation from an audit of misclassified payments from several large vendors.

Fiscal Year 2023 Budget Highlights

The General Assembly approved the $30 billion FY 2023 appropriations act on April 4, 2022. The FY 2023 budget provides an additional $2.85 billion over the original FY 2022 budget but is built on a state general fund revenue increase of 0.2% compared to the Amended FY 2022 budget.
Investments in K-12 and higher education:

- $320 million for a $2,000 pay raise for K-12 and Pre-K teachers, assistant teachers, nurses, bus drivers, and nutrition workers.
- $207 million for a $5,000 COLA for University System of Georgia (USG) full-time employees
- $388 million to restore austerity to QBE and other programs directly supporting K-12 instruction
- $230 to restore austerity in the USG teaching formula and enable institutions to eliminate the Special Institutional Fee and $100 million to fully fund a 1.2% increase in credit hour enrollment.
- $33 million to restore austerity in the Technical College System (TCSG) funding formula to enable TCSG to expand instruction in high-cost, critical workforce programs

Expanding access to affordable, comprehensive, and quality healthcare:

- $365 million for projected Medicaid growth
- $89 million for the Department of Behavioral Health and Developmental Disabilities
- $140 million to implement the Patients First Act and implement the state reinsurance program

Investments in state workforce, facilities, and technology:

- $405 million to provide a $5,000 cost of living adjustment for state employees
- $120 million for the Employees' Retirement System to fully fund the ADEC, provide a COLA for retirees, increase the employer match for 401(k) contributions, and cover the cost of forfeited leave for employees upon retirement
- $25 million to allow employees to withdraw up to 40 hours of leave as salary annually
- $138 million in ongoing capital facility maintenance and repairs for state agencies
- $51 million for the Georgia Technology Empowerment Fund for next generation information technology projects

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all of the State's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the State's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: State Accounting Office, 200 Piedmont Avenue, Suite 1604 West Tower, and Atlanta, Georgia 30334-9010.

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2022
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents	$ 6,518,898	$ 1,520,472	$ 8,039,370	$ 1,012,608
Pooled Investments with State Treasury	21,265,907	1,551,628	22,817,535	2,360,609
Investments	2,770,173	588,442	3,358,615	1,529,444
Receivables (Net)	7,270,793	798,769	8,069,562	1,080,370
Leases from				
Primary Government	—	5,445	5,445	114,506
External	974,894	—	974,894	377,336
Notes and Loans (Net)				
Primary Government	—	—	—	2,176,955
External	30,834	22,543	53,377	2,654,199
Due from Primary Government	—	—	—	11,877
Due from Component Units	161,400	477,891	639,291	—
Internal Balances	431,369	(431,369)	—	—
Inventories	43,656	25,716	69,372	39,733
Prepaid Items	235,517	199,013	434,530	65,821
Other Assets	68,916	7,085	76,001	169,274
Restricted Assets				
Cash and Cash Equivalents	7,470	1,792,886	1,800,356	546,583
Pooled Investments with State Treasury	369,285	68,329	437,614	417,893
Investments	—	271,211	271,211	4,679,265
Receivables (Net)	—	—	—	1,481,053
Net Pension Asset	236,197	—	236,197	48,810
Net OPEB Asset	523,605	28,759	552,364	6,443
Non-depreciable Capital Assets	9,775,881	801,412	10,577,293	1,333,350
Depreciable Capital Assets (Net)	17,036,656	11,010,006	28,046,662	3,520,848
Right-to-Use Assets (Net)	864,113	514,080	1,378,193	333,671
Total Assets	68,585,564	19,252,318	87,837,882	23,960,648
Deferred Outflows of Resources	1,692,724	2,099,742	3,792,466	162,257

(continued)

Statement of Net Position
June 30, 2022
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Liabilities				
Accounts Payable and Accrued Liabilities	1,520,839	450,625	1,971,464	422,394
Local Education Agencies Payable	2,021,993	—	2,021,993	—
Due to Primary Government	—	—	—	639,290
Due to Component Units	1,017	10,860	11,877	—
Policy Claims and Uninsured Liabilities	3,659,338	417,380	4,076,718	—
Accrued Interest Payable	234,938	7,637	242,575	34,539
Contracts Payable	68,304	25,974	94,278	75,466
Funds Held for Others	164,891	21,205	186,096	70,225
Unearned Revenue	5,556,631	533,514	6,090,145	266,518
Other Liabilities	252,595	15,575	268,170	1,381,501
Noncurrent Liabilities:				
Due within one year				
Notes and Loans Payable				
Component Units	—	105,509	105,509	—
External	3,427	10,453	13,880	68,125
Lease Obligations				
Primary Government	—	28,756	28,756	624
External	105,576	35,991	141,567	43,662
Other Noncurrent Liabilities	1,096,147	187,883	1,284,030	217,948
Due in more than one year				
Notes and Loans Payable				
Component Units	—	2,070,314	2,070,314	—
External	43,888	271,660	315,548	279,543
Lease Obligations				
Primary Government	—	146,059	146,059	5,167
External	789,239	304,458	1,093,697	256,813
Net Pension Liability	2,098,164	1,582,685	3,680,849	135,290
Net OPEB Liability	221,079	5,063,352	5,284,431	116,157
Other Noncurrent Liabilities	10,853,637	741,765	11,595,402	5,429,420
Total Liabilities	28,691,703	12,031,655	40,723,358	9,442,682
Deferred Inflows of Resources	4,735,679	3,801,272	8,536,951	723,765

(continued)

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

Statement of Net Position
June 30, 2022
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net Position				
Net Investment in Capital Assets [1]	23,922,912	9,103,939	29,653,291	3,597,711
Restricted for:				
Bond Covenants/Debt Service	5,498	25,693	31,191	102,181
Capital Projects	—	16,926	16,926	234,525
Guaranteed Revenue Debt Common Reserve Fund	49,515	—	49,515	—
Loan and Grant Programs	—	—	—	2,079,506
Lottery for Education	1,895,982	—	1,895,982	—
Motor Fuel Tax Funds	4,638,272	—	4,638,272	—
Nonexpendable:				
Permanent Trust	—	214,378	214,378	3,079,001
Other Programs	—	—	—	71,059
Other Benefits	—	357,452	357,452	—
Transportation Investment Act	532,586	—	532,586	—
Other Purposes	1,676,047	326,314	2,002,361	492,773
Permanent Trust Expendable	—	—	—	1,090,958
Unemployment Compensation Benefits	—	1,317,809	1,317,809	—
Unrestricted [1]	4,130,094	(5,843,378)	1,660,276	3,208,744
Total Net Position	$ 36,850,906	$ 5,519,133	$ 42,370,039	$ 13,956,458

[1] Refer to Note 4 for additional details

Statement of Activities
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

		Program Revenues		
	Expenses	Sales and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government				
Governmental Activities:				
General Government	$ 1,858,419	$ 911,257	$ 1,416,251	$ 30,910
Education	17,159,895	11,833	4,745,224	—
Health and Welfare	25,394,670	582,058	19,935,581	9,158
Transportation	2,877,965	56,575	124,492	1,475,353
Public Safety	2,678,996	165,233	395,486	656
Economic Development and Assistance	600,685	51,957	325,494	—
Culture and Recreation	328,455	189,759	91,949	6,140
Conservation	76,462	4,706	20,728	168
Interest and Other Charges on Long-Term Debt	335,152	—	—	—
Total Governmental Activities	51,310,699	1,973,378	27,055,205	1,522,385
Business-type Activities:				
Higher Education	10,541,832	3,774,710	4,251,028	54,308
State Health Benefit Plan	3,477,097	3,102,277	200,795	—
Unemployment Compensation	253,672	562,576	625,548	—
Other Business-type Activities	67,034	70,183	(47,123)	—
Total Business-type Activities	14,339,635	7,509,746	5,030,248	54,308
Total Primary Government	$ 65,650,334	$ 9,483,124	$ 32,085,453	$ 1,576,693
Component Units				
A U Health Systems, Inc.	$ 1,214,330	$ 1,095,233	$ 45,239	$ 7,738
Georgia Environmental Finance Authority	52,238	34,387	109,006	—
Geo. L. Smith II Georgia World Congress Center Authority	184,959	54,839	915	—
Georgia Housing and Finance Authority	504,685	109,351	389,235	—
Georgia Lottery Corporation	5,610,398	5,592,546	500	—
Georgia Ports Authority	477,567	833,406	23,115	24
Georgia Tech Foundation, Incorporated	131,561	40,137	26,949	—
Nonmajor Component Units	2,710,586	735,075	1,842,552	5,659
Total Component Units	$ 10,886,324	$ 8,494,974	$ 2,437,511	$ 13,421

General Revenues:
Taxes
Income Taxes - Individual
Sales and Use Taxes - General
Motor Fuel Taxes
Motor Vehicle License and Title Ad Valorem Taxes
Corporate Taxes
Other Taxes
Lottery for Education - Lottery Proceeds
Nursing Home and Hospital Provider Fees
Tobacco Settlement Funds
Unrestricted Investment Income/(Loss)
Unclaimed Property
Other
Payments from the Primary Government
Contributions to Permanent Endowments
Transfers
Total General Revenues, Contributions to Permanent Endowments and Transfers
Change in Net Position
Net Position, July 1 - Restated (Note 3)
Net Position, June 30

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ 499,999		$ 499,999	
(12,402,838)		(12,402,838)	
(4,867,873)		(4,867,873)	
(1,221,545)		(1,221,545)	
(2,117,621)		(2,117,621)	
(223,234)		(223,234)	
(40,607)		(40,607)	
(50,860)		(50,860)	
(335,152)		(335,152)	
(20,759,731)		(20,759,731)	
	$ (2,461,786)	(2,461,786)	
	(174,025)	(174,025)	
	934,452	934,452	
	(43,974)	(43,974)	
	(1,745,333)	(1,745,333)	
(20,759,731)	(1,745,333)	(22,505,064)	
			$ (66,120)
			91,155
			(129,205)
			(6,099)
			(17,352)
			378,978
			(64,475)
			(127,300)
			59,582
17,424,758	—	17,424,758	—
8,447,837	—	8,447,837	—
1,601,486	—	1,601,486	—
1,240,166	—	1,240,166	—
2,393,161	—	2,393,161	—
1,114,093	—	1,114,093	42,146
1,474,003	—	1,474,003	—
525,555	—	525,555	—
180,573	—	180,573	—
(24,622)	—	(24,622)	(52,046)
129,263	—	129,263	—
217,998	—	217,998	—
—	—	—	131,838
—	11,817	11,817	108,024
(3,785,712)	3,785,712	—	—
30,938,559	3,797,529	34,736,088	229,962
10,178,828	2,052,196	12,231,024	289,544
26,672,078	3,466,937	30,139,015	13,666,914
$ 36,850,906	$ 5,519,133	$ 42,370,039	$ 13,956,458

Balance Sheet
Governmental Funds
June 30, 2022
(amounts in thousands)

	General Fund	General Obligation Bond Projects Fund	Nonmajor Funds	Total
Assets				
Cash and Cash Equivalents	$ 4,772,755	$ 420,771	$ 1,307,297	$ 6,500,823
Pooled Investments with State Treasury	20,490,637	—	11,867	20,502,504
Investments	1,109,154	1,459,241	201,374	2,769,769
Receivables (Net)	6,656,436	—	517,883	7,174,319
Due from Other Funds	10,917	—	1,280	12,197
Due from Component Units	160,829	—	539	161,368
Inventories	22,257	—	1	22,258
Restricted Assets				
Pooled Investments with State Treasury	68,487	—	300,799	369,286
Cash and Cash Equivalents	—	—	7,470	7,470
Other Assets	492,330	—	—	492,330
Total Assets	$ 33,783,802	$ 1,880,012	$ 2,348,510	$ 38,012,324
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts Payable and Other Accruals	$ 1,398,094	$ 59,011	$ 8,534	$ 1,465,639
Due to Other Funds	704,790	25,930	10,917	741,637
Due to Component Units	1,017	—	—	1,017
Local Education Agencies Payable	1,998,671	23,322	—	2,021,993
Policy Claims and Uninsured Liabilities	2,587,032	—	—	2,587,032
Contracts Payable	18,509	25,432	24,363	68,304
Bonds Payable	—	—	289,840	289,840
Interest Payable	—	—	88,591	88,591
Undistributed Local Government Sales Tax	6,600	—	—	6,600
Funds Held for Others	162,950	—	80	163,030
Unearned Revenue	5,552,841	3,099	189,353	5,745,293
Other Liabilities	41,438	126,383	1	167,822
Total Liabilities	12,471,942	263,177	611,679	13,346,798
Deferred Inflows of Resources	1,293,782	—	479,043	1,772,825
Fund Balances:				
Nonspendable	39,268	—	—	39,268
Restricted	6,681,824	1,557,713	1,217,574	9,457,111
Unrestricted				
Committed	30,689	—	—	30,689
Assigned	1,504,894	59,122	40,214	1,604,230
Unassigned	11,761,403	—	—	11,761,403
Total Fund Balances	20,018,078	1,616,835	1,257,788	22,892,701
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 33,783,802	$ 1,880,012	$ 2,348,510	$ 38,012,324

Reconciliation of Fund Balances
To the Statement of Net Position
June 30, 2022
(amounts in thousands)

Total Fund Balances - Governmental Funds (from previous page)			$	22,892,701
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:				
Land	$	5,081,562		
Buildings and Building Improvements		3,893,472		
Improvements Other Than Buildings		179,590		
Machinery and Equipment		1,384,870		
Infrastructure		36,360,284		
Construction in Progress		4,519,686		
Works of Art		147		
Intangibles - Other Than Software		139,498		
Software		605,837		
Accumulated Depreciation		(25,704,203)		26,460,743
Right-To-Use Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:				
Buildings and Building Improvements		633,465		
Machinery and Equipment		136,474		
Accumulated Depreciation		(77,904)		692,035
Deferred inflows of resources are not reported in the governmental funds:				
Revenues are not available soon enough after year end to pay for current period's expenditures		1,721,900		
Related to OPEB		(1,130,246)		
Related to Pensions		(2,585,098)		(1,993,444)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.				1,264,370
Deferred outflows of resources are not reported in the governmental funds:				
Related to OPEB		213,824		
Related to pensions		1,448,240		1,662,064
Other assets not available in the current period and therefore are not reported in the governmental funds:				
Accounts Receivable - Other		27,599		
Net OPEB Asset		514,416		
Net Pension Asset		236,197		778,212
Certain long-term liabilities and related accrued interest are not due and payable in the current period and, therefore, are not reported in the funds.				
General Obligation Bonds		(9,504,325)		
Premiums		(1,153,497)		
Deferred Amount on Refundings		6,389		
Accrued Interest Payable		(139,706)		
Revenue Bonds		(494,570)		
Premiums		(98,569)		
Deferred Amount on Refundings		(285)		
Accrued Interest Payable		(2,404)		
Leases		(721,177)		
Accrued Interest Obligation (leases)		(1,082)		
Compensated Absences		(404,063)		
Long-Term Notes		(23,337)		
Net OPEB Liability		(217,860)		
Net Pension Liability		(2,066,613)		
Pollution Remediation		(84,676)		(14,905,775)
Total Net Position - Governmental Activities			$	36,850,906

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

(amounts in thousands)

	General Fund	General Obligation Bond Projects Fund	Nonmajor Funds	Total
Revenues:				
Taxes	$ 32,095,413	$ —	$ —	$ 32,095,413
Licenses and Permits	458,548	—	—	458,548
Intergovernmental - Federal	27,444,543	15,896	—	27,460,439
Intergovernmental - Other	608,709	57,616	276,956	943,281
Sales and Services	520,988	—	119	521,107
Fines and Forfeits	515,805	—	—	515,805
Interest and Other Investment Income	(25,148)	(1,578)	(15,234)	(41,960)
Unclaimed Property	131,181	—	—	131,181
Lottery Proceeds	1,474,003	—	—	1,474,003
Nursing Home Provider Fees	150,790	—	—	150,790
Hospital Provider Payments	374,765	—	—	374,765
Other	386,918	—	121	387,039
Total Revenues	64,136,515	71,934	261,962	64,470,411
Expenditures:				
Current:				
General Government	1,931,290	1,417	1,244	1,933,951
Education	17,313,420	—	—	17,313,420
Health and Welfare	25,535,004	—	—	25,535,004
Transportation	3,264,566	—	206,181	3,470,747
Public Safety	2,642,397	—	—	2,642,397
Economic Development and Assistance	640,045	—	—	640,045
Culture and Recreation	361,559	—	—	361,559
Conservation	70,155	—	—	70,155
Capital Outlay	—	766,967	—	766,967
Debt Service				
Principal	—	—	1,136,230	1,136,230
Interest	176	—	515,462	515,638
Accrued Interest on Bonds Retired in Advance	—	—	10	10
Discount on Bonds Retired in Advance	—	—	298	298
Other Debt Service Expenditures	—	18,043	143,517	161,560
Intergovernmental	—	267,633	—	267,633
Total Expenditures	51,758,612	1,054,060	2,002,942	54,815,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,377,903	(982,126)	(1,740,980)	9,654,797
Other Financing Sources (Uses):				
Debt Issuance - General Obligation Bonds	—	1,096,630	—	1,096,630
Debt Issuance - General Obligation Bonds - Premium	—	187,541	—	187,541
Leases	71,368	—	—	71,368
Transfers In	108,859	35,872	1,866,465	2,011,196
Transfers Out	(5,819,307)	(161,930)	(54,977)	(6,036,214)
Net Other Financing Sources (Uses)	(5,639,080)	1,158,113	1,811,488	(2,669,479)
Net Change in Fund Balances	6,738,823	175,987	70,508	6,985,318
Fund Balances, July 1 - Restated (Note 3)	13,279,255	1,440,848	1,187,280	15,907,383
Fund Balances, June 30	$ 20,018,078	$ 1,616,835	$ 1,257,788	$ 22,892,701

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

Net Change in Fund Balances - Governmental Funds (from previous page)		$ 6,985,318
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays including leases are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay (net of losses), net of transfers to Business-Type Activities, Component Units and outside organizations.	$ 1,939,010	
Depreciation - Amortization expense	(1,208,134)	730,876
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds.		639,881
Bond proceeds (net of issuance costs and payments to refunding escrow) and notes provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position.		
General Obligation Bonds Issued	(1,096,630)	
Premiums on General Obligation Bonds Issued	(187,541)	(1,284,171)
Some capital additions were financed through leases. In governmental funds, a lease arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability.		(71,224)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position. Payments were made on the following long-term liabilities:		
General Obligation Bonds	1,220,455	
Revenue Bonds	57,565	
Notes	2,009	
Leases	73,381	1,353,410
Internal service funds are used by management to charge the costs of certain activities to individual funds. The incorporation of the external activities of these funds, and the elimination of profit/loss generated by primary government customers results in net revenue (expense) for Governmental Activities.		612,673
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment combines the net changes in the following balances:		
Compensated Absences	(40,017)	
Accrued Interest on Bonds Payable	93,820	
Amortization of Deferred Amount on Refunding	(15,243)	
Bond Premiums	121,987	
Lease Revenue	12,675	
OPEB costs, net	697,403	
Pension costs, net	348,829	
Other	(7,389)	1,212,065
Change in Net Position - Governmental Activities		$ 10,178,828

Statement of Net Position
Proprietary Funds
June 30, 2022
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 1,360,812	$ 47,410	$ —	$ 112,250	$ 1,520,472	$ 18,074
Pooled Investments with State Treasury	581,523	923,078	—	47,027	1,551,628	763,403
Investments	43,624	—	—	357,357	400,981	—
Accounts Receivable (Net)	467,917	31,058	296,626	1,452	797,053	126,166
Leases from						
Component Units	682	—	—	—	682	—
External	—	—	—	—	—	8,713
Due from Other Funds	25,930	113,150	—	61	139,141	845,822
Due from Component Units	307,441	—	—	170,450	477,891	32
Inventories	25,552	—	—	164	25,716	21,399
Other Assets	199,669	—	—	11	199,680	1,457
Restricted Assets:						
Cash and Cash Equivalents	484,258	—	1,305,997	—	1,790,255	—
Restricted Pooled Investments with State Treasury	—	—	—	68,329	68,329	—
Investments	836	—	—	11,545	12,381	—
Total Current Assets	3,498,244	1,114,696	1,602,623	768,646	6,984,209	1,785,066
Noncurrent Assets:						
Investments	187,461	—	—	—	187,461	405
Other Receivables	1,655	—	—	—	1,655	—
Leases from						
Component Units	4,763	—	—	—	4,763	—
External	—	—	—	—	—	37,726
Notes and Loans (Net)						
External	22,543	—	—	—	22,543	—
Other Noncurrent Assets	—	—	—	6,418	6,418	—
Restricted Assets:						
Cash and Cash Equivalents	2,631	—	—	—	2,631	—
Investments	258,830	—	—	—	258,830	—
Net OPEB Asset	27,046	740	—	973	28,759	9,306
Non-Depreciable Capital Assets	780,116	—	—	21,296	801,412	36,947
Depreciable Capital Assets, net	10,993,896	—	—	16,110	11,010,006	314,850
Right-to-Use Assets (Net)	505,293	46	—	8,741	514,080	172,076
Total Noncurrent Assets	12,784,234	786	—	53,538	12,838,558	571,310
Total Assets	16,282,478	1,115,482	1,602,623	822,184	19,822,767	2,356,376
Deferred Outflows of Resources	2,076,793	2,230	—	20,719	2,099,742	24,273

(continued)

Statement of Net Position
Proprietary Funds
June 30, 2022
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Liabilities						
Current Liabilities:						
Accounts Payable and Other Accruals	287,254	5,683	111,267	8,041	412,245	51,759
Due to Other Funds	255,177	38,380	—	270	293,827	13
Due to Component Units	10,860	—	—	—	10,860	—
Policy Claims and Uninsured Liabilities	42,820	367,520	7,040	—	417,380	1,072,307
Unearned Revenue	305,520	38,936	162,571	16,852	523,879	691
Component Units	105,509	—	—	—	105,509	—
External	10,453	—	—	—	10,453	—
Compensated Absences Payable	180,396	294	—	728	181,418	1,963
Lease Obligations						
Component Units	28,756	—	—	—	28,756	—
External	35,314	16	—	661	35,991	32,652
Revenue Bonds Payable	—	—	—	6,467	6,467	—
Other Current Liabilities	59,598	—	3,936	6,858	70,392	1,962
Total Current Liabilities	1,321,657	450,829	284,814	39,877	2,097,177	1,161,347
Noncurrent Liabilities:						
Compensated Absences Payable	137,867	142	—	190	138,199	2,956
Lease Obligations						
Component Units	146,059	—	—	—	146,059	—
External	296,156	30	—	8,272	304,458	140,986
Claims and Judgments Payable	—	—	—	—	—	—
Revenue Bonds Payable	—	—	—	603,565	603,565	—
Notes and Loans Payable						
Component Units	2,070,314	—	—	—	2,070,314	—
External	271,660	—	—	—	271,660	—
Net OPEB Liability	5,062,619	—	—	733	5,063,352	3,337
Net Pension Liability	1,573,498	4,013	—	5,174	1,582,685	31,551
Other Noncurrent Liabilities	9,634	—	—	—	9,634	—
Total Noncurrent Liabilities	9,567,807	4,185	—	617,934	10,189,926	178,830
Total Liabilities	10,889,464	455,014	284,814	657,811	12,287,103	1,340,177
Deferred Inflows of Resources	3,788,069	4,712	—	8,491	3,801,272	91,103
Net Position						
Net Investment in Capital Assets	9,074,121	—	—	29,818	9,103,939	346,550
Restricted for:						
Bond Covenants/Debt Service	—	—	—	25,693	25,693	—
Capital Projects	16,926	—	—	—	16,926	—
Other Purpose	324,917	740	—	657	326,314	5,670
Nonexpendable:						
Permanent Trust	214,378	—	—	—	214,378	—
Other Benefits	—	—	—	357,452	357,452	—
Unemployment Compensation Benefits	—	—	1,317,809	—	1,317,809	—
Unrestricted	(5,948,604)	657,246	—	(237,019)	(5,528,377)	597,149
Total Net Position	$ 3,681,738	$ 657,986	$ 1,317,809	$ 176,601	5,834,134	$ 949,369
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					(315,001)	
Net Position of Business-type Activities					$ 5,519,133	

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


STATE OF GEORGIA
CONSTITUTION
WISDOM
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MODERATION
1776

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Operating Revenues:						
Operating Contributions/Premiums	$ 143,214	$ 3,102,277	$ 562,576	$ 479	$ 3,808,546	$ 103,754
Operating Grants	2,215,941	—	24,575	—	2,240,516	277
Rents and Royalties	15,991	—	—	—	15,991	35,623
Sales and Services	1,175,213	—	—	69,704	1,244,917	331,503
Tuition and Fees	3,151,752	—	—	—	3,151,752	—
Less: Scholarship Allowances	(752,128)	—	—	—	(752,128)	—
Other	40,667	—	—	—	40,667	222
Total Operating Revenues	5,990,650	3,102,277	587,151	70,183	9,750,261	471,379
Operating Expenses:						
Personal Services	5,478,664	2,758	—	7,653	5,489,075	47,969
Services and Supplies	2,595,278	120,362	—	4,389	2,720,029	314,165
Scholarships and Fellowships	992,649	—	—	—	992,649	—
Benefits Expense	444,672	3,353,961	253,672	3,333	4,055,638	—
Claims and Judgments	—	—	—	—	—	234,310
Interest Expense	—	—	—	7,679	7,679	—
Amortization/Depreciation	671,328	15	—	11,487	682,830	54,494
Other	—	—	—	18,874	18,874	—
Total Operating Expenses	10,182,591	3,477,096	253,672	53,415	13,966,774	650,938
Operating Income (Loss)	(4,191,941)	(374,819)	333,479	16,768	(4,216,513)	(179,559)
Nonoperating Revenues (Expenses):						
Grants and Contributions	2,062,032	198,866	590,000	—	2,850,898	6,695
Interest and Other Investment Income/(Loss)	(29,547)	1,928	10,973	(47,121)	(63,767)	1,158
Interest Expense	(116,282)	—	—	(13,624)	(129,906)	—
Other	(122,549)	—	—	—	(122,549)	(1,257)
Net Nonoperating Revenues (Expenses)	1,793,654	200,794	600,973	(60,745)	2,534,676	6,596
Income (Loss) Before Contributions and transfers	(2,398,287)	(174,025)	934,452	(43,977)	(1,681,837)	(172,963)
Contributions to Permanent Endowments	11,817	—	—	—	11,817	—
Capital Grants and Contributions	465,006	—	—	—	465,006	15,047
Total Contributions	476,823	—	—	—	476,823	15,047
Transfers:						
Transfers In	3,157,798	229,995	—	25,335	3,413,128	652,503
Transfers Out	(4,113)	—	(8,384)	(25,335)	(37,832)	—
Net Transfers	3,153,685	229,995	(8,384)	—	3,375,296	652,503
Change in Net Position	1,232,221	55,970	926,068	(43,977)	2,170,282	494,587
Net Position, July 1 - Restated (Note 3)	2,449,517	602,016	391,741	220,578		454,782
Net Position, June 30	$ 3,681,738	$ 657,986	$ 1,317,809	$ 176,601		$ 949,369
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					(118,086)	
Change in Net Position of business-type activities					$ 2,052,196	

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

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:						
Cash Received from Customers	$ 45,374	$ —	$ —	$ 55,411	$ 100,785	$ 243,959
Cash Received from Other Funds (Internal Activity)	—	—	—	—	—	293,060
Cash Received from Grants and Required Contributions/ Premiums	2,194,513	3,026,664	834,399	—	6,055,576	—
Cash Received from Tuition and Fees	3,740,139	—	—	—	3,740,139	—
Cash Paid to Vendors	(4,227,288)	(116,858)	—	(27,769)	(4,371,915)	(317,359)
Cash Paid to Employees	(4,725,454)	(4,710)	—	(6,029)	(4,736,193)	(51,687)
Cash Paid for Loans Issued to Students and Employees						
Cash Paid for Benefits	—	(3,238,092)	(431,662)	—	(3,669,754)	—
Cash Paid for Claims and Judgments	—	—	—	—	—	(196,659)
Cash Paid for Scholarships, Fellowships and Loans	(1,007,553)	—	—	—	(1,007,553)	—
Other Operating Receipts	26,770	—	238	—	27,008	1,069
Other Operating Payments	(23,026)	—	—	(578)	(23,604)	(574)
Net Cash Provided by (Used in) Operating Activities	(3,976,525)	(332,996)	402,975	21,035	(3,885,511)	(28,191)
Cash Flows from Noncapital Financing Activities:						
Interest Paid on Debt	—	—	—	(7,692)	(7,692)	—
Transfers from Other Funds	3,157,798	229,995	—	25,335	3,413,128	652,503
Transfers to Other Funds	(4,113)	—	(8,384)	(25,335)	(37,832)	—
Payments on Noncapital Financing Debt	—	—	—	(6,110)	(6,110)	—
Other Noncapital Receipts	1,970,644	198,866	590,000	—	2,759,510	12,292
Other Noncapital Payments	(40,378)	—	—	—	(40,378)	(11,416)
Net Cash Provided by (Used in) Noncapital Financing Activities	5,083,951	428,861	581,616	(13,802)	6,080,626	653,379
Cash Flows from Capital and Related Financing Activities:						
Capital Contributions	—	—	—	—	—	14,943
Capital Grants and Gifts Received	177,215	—	—	—	177,215	—
Grant Disbursements	—	—	—	(9,746)	(9,746)	—
Proceeds from Sale of Capital Assets	3,368	—	—	—	3,368	129
Proceeds from Capital Debt	—	—	—	427,533	427,533	—
Acquisition and Construction of Capital Assets	(606,345)	—	—	(7,514)	(613,859)	(109,358)
Principal Paid on Capital Debt	(298,132)	—	—	(330,235)	(628,367)	54,224
Interest Paid on Capital Debt	(117,995)	—	—	(7,106)	(125,101)	(3)
Net Cash Used in Capital and Related Financing Activities	(841,889)	—	—	72,932	(768,957)	(40,065)
Cash Flows from Investing Activities:						
Proceeds from Sales of Investments	1,222,759	—	—	2,901	1,225,660	21,925
Purchase of Investments	(1,237,498)	—	—	(11,545)	(1,249,043)	(405)
Interest and Dividends Received	22,714	1,928	10,974	744	36,360	2,386
Other Investing Activities	—	—	—	13,736	13,736	—
Net Cash Provided by (Used in) Investing Activities	7,975	1,928	10,974	5,836	26,713	23,906
Net Increase (Decrease) in Cash and Cash Equivalents	273,512	97,793	995,565	86,001	1,452,871	609,029
Cash and Cash Equivalents, July 1 - Restated (Note 3)	2,155,712	872,695	310,432	141,605	3,480,444	172,448
Cash and Cash Equivalents, June 30	$ 2,429,224	$ 970,488	$ 1,305,997	$ 227,606	$ 4,933,315	$ 781,477

(continued)

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities						
Operating Income (Loss)	$ (4,191,941)	$ (374,819)	$ 333,479	$ 16,768	$ (4,216,513)	$ (179,559)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Amortization/Depreciation Expense	671,328	15	—	11,487	682,830	54,494
Other Reconciling Items	10,377	—	—	—	10,377	—
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable	(42,685)	(105,962)	93,082	602	(54,963)	(10,224)
Due from Other Funds	—	—	—	26,318	26,318	83,865
Due from Component Units	—	—	—	—	—	36
Notes Receivable	3,689	—	—	—	3,689	—
Net OPEB Asset	(10,848)	(490)	—	(443)	(11,781)	(5,146)
Other Assets	(54,123)	—	—	(38)	(54,161)	(9,183)
Deferred Outflows of Resources	72,178	(615)	—	(878)	70,685	(8,160)
Accounts Payable and Other Accruals	43,366	3,503	93,061	1,236	141,166	1,619
Due to Other Funds	—	10,095	—	(26,318)	(16,223)	(1,422)
Benefits Payable	—	115,870	(177,990)	—	(62,120)	—
Unearned Revenue	5,876	20,255	61,105	(6,699)	80,537	591
Claims and Judgments Payable	—	—	—	—	—	37,649
Compensated Absences Payable	7,478	(75)	—	21	7,424	(248)
Net OPEB Liability	(391,260)	(971)	—	(4,859)	(397,090)	(9,621)
Net Pension Liability	(2,674,920)	(2,599)	—	(1,929)	(2,679,448)	(22,368)
Other Liabilities	(7,203)	66	238	—	(6,899)	562
Deferred Inflows of Resources	2,582,163	2,731	—	5,767	2,590,661	38,924
Net Cash Provided by (Used in) Operating Activities	$ (3,976,525)	$ (332,996)	$ 402,975	$ 21,035	$ (3,885,511)	$ (28,191)
Noncash Investing, Capital, and Financing Activities:						
Gifts other than Capital Assets Reducing Proceeds of Grants and Gifts for Other than Capital Assets	$ 10,702	$ —	$ —	$ —	$ 10,702	$ —
Donation of Capital Assets	277,165	—	—	—	277,165	—
Change in Receivable from Grantor Agency Affecting Proceeds of Capital Debt	3,202	—	—	—	3,202	—
Change in Accrued Interest Payable Affecting Interest Paid	(248)	—	—	—	(248)	—
Capital Assets Acquired by Incurring Capital Lease Obligations	150,257	—	—	—	150,257	—
Change in Fair Value of Investments	(52,260)	—	—	—	(52,260)	(20)
Special Item - Equipment-Capital Asset Transfer	(1,403)	—	—	—	(1,403)	—
Gain (Loss) of Debt Refunding	15,880	—	—	—	15,880	—
Loss on Disposal of Capital Assets Reducing Proceeds from Sale of Capital Assets	(7,558)	—	—	—	(7,558)	—
Other	38,195	—	—	—	38,195	—
Total Noncash Investing, Capital and Financing Activities	$ 433,932	$ —	$ —	$ —	$ 433,932	$ (20)

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

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022
(amounts in thousands)

	Pension and Other Employee Benefits Trust	Investment Trust	Private Purpose Trust	Custodial Funds: Custodial	Custodial Funds: External Investment Pool
Assets					
Cash and Cash Equivalents	$ 1,713,200	$ —	$ 597	$ 551,386	$ —
Pooled Investments with State Treasury	969,711	13,543,331	320,042	37,387	—
Receivables, Net					
Interest and Dividends	221,466	9,006	—	—	—
Due from Brokers for Securities Sold	49,990	—	—	—	—
Taxes for Other Governments	—	—	—	1,025,333	—
Other	321,093	—	6,182	102,884	—
Due from Other Funds	38,792	—	—	—	—
Investments, at Fair Value					
Certificates of Deposit	—	—	—	1,225	—
Pooled Investments	16,755,518	—	—	191,381	65,338
Mutual Funds	2,649,638	—	—	9,288	—
Government Obligations	18,672,120	—	—	29,438	—
Corporate Bonds/Notes/Debentures	6,326,852	—	—	—	—
Stocks	63,379,334	—	—	—	—
Asset-backed Securities	26,238	—	—	—	—
Mortgage Investments	117,320	—	—	—	—
Real Estate Investment Trusts	297,569	—	—	—	—
Capital Assets					
Land	8,431	—	—	—	—
Buildings	7,793	—	—	—	—
Software	30,800	—	—	—	—
Machinery and Equipment	5,988	—	94	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(37,888)	—	(94)	—	—
Intangible Right-to-Use Assets					
Buildings	—	—	206	—	—
Accumulated Amortization	—	—	(103)	—	—
Net OPEB Asset	8,258	—	369	—	—
Other Assets	—	—	—	1,089	—
Total Assets	111,562,337	13,552,337	327,293	1,949,411	65,338
Deferred Outflows of Resources	14,771	—	407	—	—
Liabilities					
Accounts Payable and Other Accruals	41,201	—	18	442,461	—
Due to Other Funds	475	—	—	—	—
Due to Brokers for Securities Purchased	61,345	—	—	—	—
Due to Component Units	—	—	—	250	—
Due to Local Governments	—	—	—	1,092,894	—
Salaries/Withholding Payable	—	—	—	6	—
Benefits Payable	60,766	—	—	—	—
Unearned Revenue	376	—	—	2,418	—
Compensated Absences Payable	82	—	68	—	—
Lease Obligation	—	—	105	—	—
Net OPEB Liability	2,696	—	63	—	—
Net Pension Liability	17,962	—	633	—	—
Other Liabilities	—	—	72	1,967	—
Total Liabilities	184,903	—	959	1,539,996	—
Deferred Inflows of Resources	30,446	—	1,098	—	—
Net Position					
Restricted for:					
Pension Benefits	107,362,875	—	—	—	—
Other Postemployment Benefits	3,998,884	—	—	—	—
Pool Participants	—	13,552,337	—	—	65,338
Individuals, Organizations, and Other Governments	—	—	—	409,415	—
Other Purposes	—	—	325,643	—	—
Total Net Position	$ 111,361,759	$ 13,552,337	$ 325,643	$ 409,415	$ 65,338

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Pension and Other Employee Benefits Trust	Investment Trust	Private Purpose Trust	Custodial Funds	
				Custodial	External Investment Pool
Additions:					
Contributions/Assessments					
Child Support Recovery Program	$ —	$ —	$ —	$ 785,709	$ —
Collections for Local Governments	—	—	—	8,510,919	—
Coronavirus Fiscal Recovery Funds	—	—	—	430,914	—
Detainees' Accounts	—	—	—	163,149	—
Employer	4,058,688	—	—	—	—
Fees	501	—	—	—	—
Insurance Premiums	2,641	—	—	—	—
NonEmployer	124,919	—	—	—	—
Plan Members/Participants	1,090,554	—	498	148,193	—
Pool Participant Deposits	—	16,081,724	—	—	6,789
Student Financial Aid	—	—	—	2,146,241	—
Student Support	—	—	—	114,210	—
Miscellaneous	753	—	—	82,102	—
Interest and Other Investment Income					
Dividends and Interest	2,260,037	36,046	443	(25,519)	1,269
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	(17,958,623)	—	—	(1)	(9,209)
Less: Investment Expense	(97,556)	(5,178)	—	(83)	(66)
Transfers from Other Funds	2,811	—	—	—	—
Total Additions	(10,515,275)	16,112,592	941	12,355,834	(1,217)
Deductions:					
Distributions					
Benefits	8,326,855	—	20,646	142,850	—
Child Support Recovery Program	—	—	—	787,708	—
Detainees' Accounts	—	—	—	168,447	—
Distributions to Local Governments	—	—	—	9,188,598	—
General and Administrative Expenses	43,450	—	1,113	—	—
Pool Participant Withdrawals	—	14,862,795	—	—	5,638
Refunds	114,624	—	—	—	—
Student Financial Aid	—	—	—	2,147,127	—
Student Support	—	—	—	110,607	—
Miscellaneous	—	—	—	75,807	—
Transfers to Other Funds	—	—	—	5,592	—
Total Deductions	8,484,929	14,862,795	21,759	12,626,736	5,638
Net Increase (Decrease) in Fiduciary Net Position	(19,000,204)	1,249,797	(20,818)	(270,902)	(6,855)
Net Position, July 1 (restated)	130,361,963	12,302,540	346,461	680,317	72,193
Net Position, June 30	$ 111,361,759	$ 13,552,337	$ 325,643	$ 409,415	$ 65,338

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

Statement of Net Position
Component Units
June 30, 2022
(amounts in thousands)

		A U Health Systems, Inc.		Georgia Environmental Finance Authority		Geo. L. Smith II Georgia World Congress Center Authority		Georgia Housing and Finance Authority
Assets								
Current Assets:								
Cash and Cash Equivalents	$	43,190	$	14,338	$	17,679	$	118,193
Pooled Investments with State Treasury		—		1,150,530		5,168		251,153
Investments		105,880		—		—		115,801
Receivables								
Accounts (Net)		212,752		7,916		12,436		—
Leases from								
Primary Government		—		—		—		—
External		—		—		—		—
Interest and Dividends		—		5,049		—		1,098
Notes and Loans (Net)								
Primary Government		1,493		—		—		—
External		—		—		—		—
Taxes		—		—		953		—
Due from Primary Government		833		—		—		—
Due from Component Units		—		—		—		—
Inventory		25,559		—		443		—
Other Current Assets		20,008		19		339		106,688
Restricted for:								
Cash and Cash Equivalents		1,522		—		—		—
Pooled Investments with State Treasury		—		—		—		113,117
Investments		2,973		—		—		—
Other Receivables (Net)		—		—		—		—
Total Current Assets		414,210		1,177,852		37,018		706,050
Noncurrent Assets:								
Investments		—		—		—		238,057
Receivables (Net)								
Leases from								
Primary Government		—		—		—		—
External		—		—		60,010		—
Notes and Loans (Net)								
Primary Government		17,425		—		—		—
External		—		1,599,252		—		693,342
Other		10,340		—		3,635		—
Restricted Assets								
Cash and Cash Equivalents		—		—		190,433		22,359
Investments		100		—		219,405		60,781
Net OPEB Asset		—		746		2,147		—
Net Pension Asset		—		—		—		—
Receivables (Net)								
Notes and Loans		—		—		—		1,201,191
Interest and Dividends		—		—		211		8,026
Other		—		—		40,475		—
Non-depreciable Capital Assets		43,936		—		192,988		800
Depreciable Capital Assets (Net)		195,608		1,618		1,188,553		2,215
Right-to-Use Assets (Net)		38,373		—		737		—
Other Noncurrent Assets		6,810		—		—		—
Total Noncurrent Assets		312,592		1,601,616		1,898,594		2,226,771
Total Assets		726,802		2,779,468		1,935,612		2,932,821
Deferred Outflows of Resources		3,702		1,676		13,582		—

Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Nonmajor Component Units	Total
$ 56,578	$ 81,241	$ 26,008	$ 655,381	$ 1,012,608
—	688,151	—	265,607	2,360,609
—	21,940	—	118,871	362,492
196,064	123,593	19,116	412,112	983,989
—	—	—	15,972	15,972
181	9,185	—	4,263	13,629
—	—	—	5,650	11,797
—	—	7,034	97,220	105,747
—	—	551	190,406	190,957
—	—	—	1,317	2,270
—	—	264	11,030	12,127
—	—	—	36,079	36,079
—	7,538	—	6,193	39,733
10,372	1,589	2,233	38,537	179,785
—	16,495	16,829	116,171	151,017
—	304,776	—	—	417,893
—	—	—	165,810	168,783
—	—	24,004	71,102	95,106
263,195	1,254,508	96,039	2,211,721	6,160,593
—	—	484,747	444,148	1,166,952
—	—	—	98,534	98,534
6,895	146,913	—	149,889	363,707
—	—	79,811	1,973,972	2,071,208
—	—	—	170,648	2,463,242
—	—	10,334	57,755	82,064
21,268	—	—	161,506	395,566
172,478	—	1,999,551	2,058,167	4,510,482
—	—	—	3,550	6,443
—	48,810	—		48,810
—	—	—	—	1,201,191
—	—	—	—	8,237
—	—	50,361	85,683	176,519
—	758,560	71,978	265,088	1,333,350
2,232	1,066,578	77,034	987,010	3,520,848
40,660	13,017	—	240,884	333,671
—	4,503	30,503	13,494	55,310
243,533	2,038,381	2,804,319	6,710,328	17,836,134
506,728	3,292,889	2,900,358	8,922,049	23,996,727
51	26,942	—	116,304	162,257

(continued)

Statement of Net Position
Component Units
June 30, 2022
(amounts in thousands)

	A U Health Systems, Inc.	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	107,017	3,528	61	7,559
Due to Primary Government	52,592	2,548	23,979	6,518
Due to Component Units	—	—	—	—
Funds Held for Others	—	—	—	—
Unearned Revenue	4,709	—	6,224	3,101
Notes and Loans Payable				
External	—	—	549	—
Lease Obligations				
Primary Government	275	—	—	—
External	8,705	—	475	—
Revenue/Mortgage Bonds Payable	7,970	—	—	43,480
Other Current Liabilities	33,695	149	4,377	500,004
Current Liabilities Payable from Restricted Assets:				
Other	—	—	36,708	—
Total Current Liabilities	214,963	6,225	72,373	560,662
Noncurrent Liabilities:				
Unearned Revenue	—	—	—	—
Notes and Loans Payable				
External	—	—	43,689	—
Lease Obligations				
Primary Government	297	—	—	—
External	37,410	—	1,130	—
Revenue/Mortgage Bonds Payable	192,943	—	469,905	1,418,440
Grand Prizes Payable	—	—	—	—
Derivative Instrument Payable	10,337	—	—	—
Net OPEB Liability	5,109	217	18,189	—
Net Pension Liability	—	2,406	10,160	—
Other Noncurrent Liabilities	21,864	446	37,390	700,710
Total Noncurrent Liabilities	267,960	3,069	580,463	2,119,150
Total Liabilities	482,923	9,294	652,836	2,679,812
Deferred Inflows	5,793	3,549	91,918	—
Net Position				
Net Investment in Capital Assets	47,717	1,617	1,189,647	3,015
Restricted for:				
Bond Covenants/Debt Service	—	—	52,611	—
Capital Projects	—	—	—	—
Permanent Trust Expendable	—	—	—	—
Other Purposes	4,595	—	17,294	—
Nonexpendable:				
Permanent Trust	—	—	—	—
Other Purposes	—	—	—	—
Loan and Grant Programs	—	2,079,506	—	—
Unrestricted	189,476	687,178	(55,112)	249,994
Total Net Position	$ 241,788	$ 2,768,301	$ 1,204,440	$ 253,009

Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Nonmajor Component Units	Total
124,420	104,544	9,660	111,381	468,170
127,785	25	5,084	420,759	639,290
—	—	—	36,079	36,079
—	—	—	70,225	70,225
—	—	12,129	215,157	241,320
—	—	14,084	53,492	68,125
—	—	—	349	624
1,415	4,178	—	28,889	43,662
—	4,590	12,505	86,357	154,902
22,535	4,308	3,902	27,013	595,983
20,903	—	—	6,618	64,229
297,058	117,645	57,364	1,056,319	2,382,609
—	3,903	—	21,295	25,198
—	—	57,848	178,006	279,543
—	—	—	4,870	5,167
37,582	9,969	—	170,722	256,813
—	493,993	313,320	2,338,730	5,227,331
153,995	—	—		153,995
—	—	—	2,617	12,954
—	5,906	—	86,736	116,157
105	54,670	—	67,949	135,290
4,825	12,233	35,458	70,778	883,704
196,507	580,674	406,626	2,941,703	7,096,152
493,565	698,319	463,990	3,998,022	9,478,761
14,407	197,907	—	410,191	723,765
3,895	1,630,402	(3,958)	725,376	3,597,711
—	16,295	—	33,275	102,181
—	—	22,443	212,082	234,525
—	—	230,395	860,563	1,090,958
—	—	—	470,884	492,773
—	—	1,844,634	1,234,367	3,079,001
—	—	—	71,059	71,059
—	—	—	—	2,079,506
(5,088)	776,908	342,854	1,022,534	3,208,744
$ (1,193)	$ 2,423,605	$ 2,436,368	$ 4,630,140	$ 13,956,458

Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	A U Health Systems, Inc.	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority
Expenses	$ 1,214,330	$ 52,238	$ 184,959	$ 504,685
Program Revenues:				
Sales and Charges for Services	1,095,233	34,387	54,839	109,351
Operating Grants and Contributions	45,239	109,006	915	389,235
Capital Grants and Contributions	7,738	—	—	—
Total Program Revenues	1,148,210	143,393	55,754	498,586
Net (Expenses) Revenue	(66,120)	91,155	(129,205)	(6,099)
General Revenues:				
Taxes	—	—	31,478	—
Unrestricted Investment Income/(Loss)	5,918	—	—	—
Payments from the Primary Government	32,379	—	—	—
Contributions to Permanent Endowments	—	—	—	—
Total General Revenues	38,297	—	31,478	—
Change in Net Position	(27,823)	91,155	(97,727)	(6,099)
Net Position, July 1 - (Restated)	269,611	2,677,146	1,302,167	259,108
Net Position, June 30	$ 241,788	$ 2,768,301	$ 1,204,440	$ 253,009

Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Nonmajor Component Units	Total
$ 5,610,398	$ 477,567	$ 131,561	$ 2,710,586	$ 10,886,324
5,592,546	833,406	40,137	735,075	8,494,974
500	23,115	26,949	1,842,552	2,437,511
—	24	—	5,659	13,421
5,593,046	856,545	67,086	2,583,286	10,945,906
(17,352)	378,978	(64,475)	(127,300)	59,582
—	—	—	10,668	42,146
98	—	(12,118)	(45,944)	(52,046)
—	—	—	99,459	131,838
—	—	37,770	70,254	108,024
98	—	25,652	134,437	229,962
(17,254)	378,978	(38,823)	7,137	289,544
16,061	2,044,627	2,475,191	4,623,003	13,666,914
$ (1,193)	$ 2,423,605	$ 2,436,368	$ 4,630,140	$ 13,956,458


STATE OF GEORGIA
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Notes to the Financial Statements
Index

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the State have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The fiscal year end for the primary government and component units is June 30, except for, VSU Auxiliary Service Real Estate Foundation, Inc. (component unit) and the Stone Mountain Memorial Association (component unit) which have a fiscal year end of December 31.

B. Financial Reporting Entity

For financial reporting purposes, the State reporting entity includes the primary government and its component units. The primary government consists of all the organizations that compose the legal entity of the State. All agencies, departments, authorities, commissions, courts, councils, boards, universities, colleges, foundations, retirement funds, associations and other organizations that are not legally separate are, for financial reporting purposes, considered part of the primary government. Component units are legally separate organizations for which the State's elected officials are financially accountable.

Financial accountability is the ability of the State to appoint a voting majority of an organization's governing board and to impose its will upon the organization or when there exists the potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. When the State does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the financial reporting entity if: (1) an organization is fiscally dependent upon the State because its resources are held for the direct benefit of the State or can be accessed by the State *and* (2) the potential exists for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. In addition, component units can be other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the financial statements to be misleading.

Certain of the State's component units issue their own separate audited financial statements which may be obtained from their respective administrative offices. The most recent financial statements for component unit organizations with "AUD" at the end of their descriptions below may be obtained from the Department of Audits and Accounts (DOAA) online at www.audits.ga.gov. Certain component units (with "NSR" at the end of their descriptions below) are not required to prepare or issue separate financial statements beyond the financial information included in this report. The financial statements for discretely presented higher education foundations and similar organizations can be obtained from their respective administrative offices or from the Board of Regents.

<u>Blended Component Units</u>

Blended component units have governing bodies substantively the same as the State, provide services entirely or almost entirely to the primary government or have total debt outstanding, including leases, that is expected to be paid entirely, or almost entirely, with resources of the State. As such, although they are legally separate entities, they are, in substance, part of the government's operations. GASB standards require this type of component unit to be reported as part of the primary government and blended into the appropriate funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The State's blended component units, as described in the Nonmajor Governmental Funds and Internal Service Funds portions of the Supplementary Information – Combining and Individual Fund Statements category of the Financial Section, are as follows:

Special Revenue Funds

The following component units provide services entirely or almost entirely to the primary government and are therefore considered blended component units:

The **Georgia Aviation Authority** was created to provide oversight and efficient operation of state aircrafts and aviation operations, and ensure the safety of state air travelers and aviation property. (NSR)

The **State Road and Tollway Authority** (SRTA) is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia. SRTA's total debt outstanding is expected to be paid with resources of the Primary Government and therefore is considered a blended component unit. (AUD)

Debt Service Fund

The **State Road and Tollway Authority** uses a debt service fund for the payment of principal and interest on the debt of SRTA's governmental funds. SRTA issues bonded debt which finances State transportation infrastructure construction. (AUD)

Enterprise Funds

The following component units provide services entirely or almost entirely to the primary government and are therefore considered blended component units:

The **Georgia Higher Education Facilities Authority** is a legally separate public corporation created for the purpose of financing eligible construction, renovation, improvement, and rehabilitation or restoration projects for the University System of Georgia. The Authority issues debt and enters into lease agreements principally with the University System of Georgia Foundation, Inc. (discretely presented component unit). The costs of the Authority's debt are recovered through lease payments from the Foundation. The Authority provides services entirely or almost entirely to the Primary Government and is therefore considered a blended component unit.

The **State Employees' Assurance Department - Active (SEAD-Active)** is used to account for the accumulation of resources for the purpose of providing survivors' benefits for eligible members of the Employees', Judicial, and Legislative Retirement Systems. SEAD-Active is a cost-sharing multiple employer life insurance plan created in 2007 by the Georgia General Assembly to amend Title 47 of the Official Code of Georgia Annotated, relating to retirement, so as to establish a fund for the provision of term life insurance to active members of Employees' Retirement System (ERS), Legislative Retirement System, and Georgia Judicial Retirement System.

The **State Road and Tollway Authority** uses an enterprise fund to account for all tolling activities, including the I-75 South Metro Express Lanes, and all other facilities of the tolling system (i.e. the I-85 Express Lanes, the I-85 Extension Express Lanes, the I-75 Northwest Corridor Express Lanes, and five future toll facilities under planning and/or construction). (AUD)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Service Funds

The following component units all provide services entirely or almost entirely to the Primary Government and are therefore considered blended component units:

The **Georgia Building Authority** is responsible for all services associated with the management of State office buildings, maintaining the grounds within the State Capitol complex, maintaining the Governor's Mansion and operating parking facilities.

The **Georgia Correctional Industries Administration** utilizes the inmate work force to manufacture products and provide services for the penal system, other units of state government and local governments. (NSR)

The **Georgia Technology Authority** was created to provide technology enterprise management and technology portfolio management to state and local governments. (NSR)

Discretely Presented Component Units

Discrete presentation entails reporting component unit financial data in a separate column and/or rows in each of the government-wide statements to emphasize that these component units are legally separate from the State. Except for Georgia Military College, the other component units are included in the reporting entity because, under the criteria established by GASB, the State has the ability to impose its will on these organizations.

The determination of major component units is based on any of the following factors: (a) the services provided by the component unit to the citizenry are such that separate reporting as a major component unit is considered essential to financial statement users, (b) there are significant transactions with the primary government, or (c) there is a significant financial benefit or burden relationship with the primary government.

The State's major discretely presented component units are described below:

The **AU Health Systems, Inc. (AUH)** is a hospital that provides many services not available in other facilities in the region. Augusta University Health is an academic health center that manages the clinical operations associated with Augusta University. It is a healthcare network that offers primary, specialty and sub-specialty care in the Augusta, Georgia area and throughout the Southeastern United States.

The **Georgia Environmental Finance Authority (GEFA)** is a body corporate and politic. GEFA provides funding to eligible municipalities, counties, water and sewer authorities in the State for construction and expansion of public water, sewer, and solid waste facilities. The State periodically provides general obligation bond proceeds to GEFA to fund various loan programs for water and sewerage facilities. GEFA is governed by a board of directors consisting of three officials designated by statute and eight members appointed by the Governor.

The **Geo. L. Smith II Georgia World Congress Center Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for operating and maintaining a comprehensive international trade and convention center consisting of a complex of facilities suitable for multipurpose use. The Authority is governed by a board of directors composed of 15 members appointed by the Governor. (AUD)

The **Georgia Housing and Finance Authority (GHFA)** is a body corporate and politic. GHFA is responsible for facilitating housing, housing finance and financing for health facilities and health care

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

services throughout the State. The powers of GHFA are vested in 18 members who also comprise the board of the Department of Community Affairs (DCA). Board members are appointed by the Governor and are composed of one member from each U.S. Congressional District in the State, plus four additional members from the State at large, and include elected officials of counties or municipalities, individuals with an interest or expertise in community or economic development, environmental issues, housing development or finance or citizens who in the judgment and discretion of the Governor would enhance the DCA board.

The **Georgia Lottery Corporation (GLC)** is a public body, corporate and politic. GLC operates lottery games to provide continuing entertainment to the public and maximize revenues, the net proceeds of which are utilized to support improvements and enhancements for educational purposes. Net proceeds are remitted to the State's General Fund and are appropriated to certain educational agencies through the State's budget process. GLC is governed by a board of directors composed of seven members, all of which are appointed by the Governor. The State is legally entitled to residual resources of GLC.

The **Georgia Ports Authority (GPA)** is a body corporate and politic. The purpose of the Authority is to develop and improve the harbors or seaports of the State for the handling of waterborne commerce and to acquire, construct, equip, maintain, develop and improve said harbors, seaports and their facilities. The State has provided general obligation bond proceeds to GPA to finance projects and facilities. The Board consists of 13 members, all of which are appointed by the Governor.

The **Georgia Tech Foundation, Incorporated** is a nonprofit organization established to promote, in various ways, the cause of higher education in the State, to raise and receive funds for the support and enhancement of the Georgia Institute of Technology (GIT), and to aid the GIT in its development as a leading educational institution. The individual financial statements may be obtained from the foundation at the following address: 760 Spring St. NW, Atlanta, GA 30308.

The State's nonmajor discretely presented component units are as follows:

The **Atlanta-region Transit Link "ATL" Authority** is a body corporate and politic. The purpose of which is to manage transit and air quality within certain areas of the State of Georgia. The Board of Directors of the Authority consists of 16 members; of which, the primary government appoints or elects a majority. (NSR)

Economic Development Organizations

The Economic Development organizations cultivate business for the State. These organizations are described below:

The **Georgia Development Authority** is a body corporate and politic. The Authority was created to assist agricultural and industrial interests by providing credit and servicing functions to better enable farmers and businessmen to obtain needed capital funds. The Authority is governed by a board of directors composed of seven members; four are appointed by the Governor and three are State Agency heads.

The **OneGeorgia Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to promote the health, welfare, safety and economic society of the rural citizens of the State through the development and retention of employment opportunities in rural areas and the enhancement of the infrastructures that accomplish that goal. The six members of the Authority are State officials designated by statute. (NSR)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The **Savannah-Georgia Convention Center Authority** a state Authority, effective July 1, 2019, formally Georgia International and Maritime Trade Center Authority is a body corporate and politic. The Authority was created to develop and promote the growth of the State's import and export markets through its ports and other transportation modes, and to construct, operate and maintain the Savannah International Trade and Convention Center. The Authority is governed by a board of directors composed of 11 members: six members appointed by the Governor; three members appointed by the members of the Georgia General Assembly representing Chatham County; the President of the Savannah Area Convention and Visitors' Bureau; and the President of the Savannah Economic Development Authority. (AUD)

The **Georgia Seed Development Commission** is a body corporate and politic and an instrumentality and public corporation of the State whose purpose is to purchase, process and resell breeders' and foundation seeds. The Commission consists of 11 members who are accountable as trustees. Of the 11 members serving on the Board, six members are State officials or are appointed by State officials. (NSR)

The **Georgia Higher Education Assistance Corporation** is a nonprofit public authority, body corporate and politic. The Corporation was created to improve the higher educational opportunities of eligible students by guaranteeing educational loan credit to students and to parents of students. The Corporation is governed by the Board of Commissioners of the Georgia Student Finance Commission.

The **Georgia Military College (GMC)** is a body corporate and politic, and is an instrumentality and a public corporation of the State. GMC is dedicated to providing a high-quality military education to the youth of the State. The Board of Trustees consists of the mayor of the City of Milledgeville and six additional members, one of which is elected from each of the six municipal voting districts of the City, as required by statute. The government, control, and management of GMC are vested in the Board of Trustees. GMC receives any designated funds appropriated by the General Assembly through the Board of Regents of the University System of Georgia. Although GMC does not meet the fiscal dependency or financial benefit/burden criteria, due to the nature and significance to the State and the potential assumption that GMC is the same as other colleges reported within the state reporting entity, management has determined that it would be misleading to exclude GMC from the state reporting entity. (NSR)

The **Georgia Public Telecommunications Commission** is a body corporate and politic. The Commission is a public charitable organization created for the purpose of providing educational, instructional and public broadcasting services to citizens of Georgia. The budget of the Commission must be approved by the State. (AUD)

The **Georgia Regional Transportation Authority** is a body corporate and politic. Within its jurisdiction, the purpose of the Authority is to manage land transportation and air quality, review all Developments of Regional Impact (DRI), and approve the allocation of state and federal transportation resources in metro Atlanta via the Atlanta Transportation Improvement Program (TIP). The Governor appoints all 15 Board Members of the Authority. (NSR)

The **Georgia Student Finance Authority** is a body corporate and politic. The Authority was created for the purpose of improving higher educational opportunities by providing educational scholarship, grant and loan assistance. A substantial amount of funding is provided to the Authority by the State.

The **REACH Georgia Foundation** is a nonprofit organization that was formed to ensure that Georgia's academically promising students have the academic, social and financial support needed to graduate from high school, access college and achieve post secondary success. The REACH Georgia Program is the State of Georgia's

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

first needs-based mentorship and college scholarship program and the Foundation's mission is to raise and invest funds.

The **Regional Educational Service Agencies** were established to provide shared services to improve the effectiveness of educational programs and services of local school systems and to provide direct instructional programs to selected public school students. The State has 16 of these agencies. (NSR)

The **Georgia Superior Court Clerks' Cooperative Authority** is a body corporate and politic and an instrumentality and public corporation of the State created to provide a cooperative for the development, acquisition and distribution of record management systems, information, services, supplies and materials for superior court clerks of the State.

Tourism / State Attractions

These organizations promote State interests or encourage visitation to the State through the operation and maintenance of various attractions. Organizations involved in such activities are described below:

The **Georgia Agricultural Exposition Authority** is a body corporate and politic. The Authority is responsible for provision of a facility for the agricultural community, for public events, exhibits and other activities and for promotion and staging of a statewide fair. (NSR)

The **Jekyll Island - State Park Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority was created to operate and manage resort recreational facilities on Jekyll Island. The Authority includes its component unit, Jekyll Island Foundation, Inc. (NSR)

The **Lake Lanier Islands Development Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to manage, preserve and protect projects on Lake Lanier Islands. (NSR)

The **North Georgia Mountains Authority** is a body corporate and politic and an instrumentality and public corporation of the State responsible for the construction and management of recreation, accommodation and tourist facilities and services. (NSR)

The **Stone Mountain Memorial Association** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for maintenance and operation of Stone Mountain as a Confederate memorial and public recreational area.

The **Higher Education Foundations and Similar Organizations** are nonprofit organizations established to secure and manage support for various projects including acquisitions and improvements of properties and facilities for units of the University System of Georgia. The following are the organizations included in the Higher Education Foundations:

Georgia Advanced Technology Ventures, Inc. and Subsidiaries
Augusta University Foundation, Inc. and Subsidiaries
Augusta University Research Institute, Inc.
Georgia College & State University Foundation, Inc. and Subsidiaries
Georgia Gwinnett College Foundation, Inc. and Subsidiaries
Georgia Health Sciences Foundation, Inc.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Georgia Southern University Housing Foundation, Inc. and Subsidiaries
Georgia State University Athletic Association, Inc.
Georgia State University Foundation, Inc.
Georgia State University Research Foundation, Inc.
Georgia Tech Athletic Association
Georgia Tech Facilities, Inc.
Georgia Tech Research Corporation
Kennesaw State University Foundation, Inc.
Medical College of Georgia Foundation, Inc.
Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries
The University of Georgia Foundation
University of Georgia Athletic Association, Inc.
University of Georgia Research Foundation, Inc. and Subsidiaries
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries
UWG Real Estate Foundation, Inc.
University System of Georgia Foundation, Inc. and Affiliates
VSU Auxiliary Services Real Estate Foundation, Inc.

Fiduciary Component Units

GAAP requires fiduciary component units to be reported as fiduciary funds of the primary government rather than as discrete component units. In accordance with GAAP, fiduciary funds and component units that are fiduciary in nature are excluded from the government-wide financial statements. The State's two most significant fiduciary component units are ERS and the Teachers Retirement System of Georgia (TRS). Fiduciary component units are detailed in the Fiduciary Funds portion of the Supplementary Information – Combining and Individual Fund Statements category of the Financial Section.

C. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are financed through taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from business-type activities, which are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from its discretely presented component units.

The Statement of Net Position presents the State's non-fiduciary assets, liabilities and deferred outflows/inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net Investment In Capital Assets consists of capital assets, net of accumulated amortization/depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. In addition, deferred outflows/ inflows of resources that are attributable to the acquisition, construction or improvement of capital assets or related debt are included in Net Investment in Capital Assets. If there are significant unspent related debt proceeds or deferred inflows

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount are not included.

- Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often is designated, indicating it is not available for general operations. Such designations have internally imposed constraints on resources, but can be removed or modified.

When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first. Other funds not otherwise remitted to the State Treasury, which may be available from restricted or unrestricted net position should be utilized next, prior to the use of State funds.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Internal service funds are also aggregated and reported in a separate column on the proprietary funds financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of the measurements made, regardless of the measurements focus applied.

The government-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the "accrual basis of accounting". Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. Unearned revenue is recorded when cash or other assets are received prior to being earned. Additionally, long-term assets and liabilities, such as capital assets and intangible right-to-use assets and long-term debt, are included on the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become earned, measurable and available. "Earned" means substantially accomplished, "measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities of the current period. For this purpose, the State generally considers taxes and other revenues to be available if the revenues are collected within 30 days after fiscal year-end. An exception to this policy is federal grant revenues, which generally are considered to be available if collection is expected within 12 months after year-end. Unearned revenue reported represents a liability that represents amounts received, but not yet earned, and unavailable revenue represents amounts earned which are not yet available. Capital purchases are recorded as expenditures and neither capital assets, intangible right-to-use assets nor long-term liabilities, such as long-term debt, are reflected on the balance sheet.

Expenditures generally are recorded when the related fund liability is incurred, as under the accrual basis of accounting. Specifically, under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred and measurable. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other long-term liabilities, are recorded only when payment is due or (for debt service expenditures), when amounts have been accumulated in the debt service fund for payments to be made early in the subsequent fiscal year.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The State's proprietary funds and discretely presented component units, other than certain higher education foundations and similar organizations, follow all GASB pronouncements, (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect). Certain higher education foundations and similar organizations report under the Financial Accounting Standards Board (FASB) standards; including FASB Codification Topic 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified or reformatted, as applicable, to GASB presentation in these financial statements.

GAAP requires that revenues and expenses relating to summer school activities, the dates of which cross the State's fiscal year, are allocated between fiscal years rather than reported in a single fiscal year with the exception of teachers' salaries which are recorded in the fiscal year earned.

The State reports the following major funds:

Major Governmental Funds

General Fund – The principal operating fund of the State which accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Obligation Bond Projects Fund – Accounts for the financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds) financed with general obligation bond proceeds, including educational facilities for county and independent school systems.

Major Enterprise Funds

Higher Education Fund – Accounts for the operations of State colleges and universities and State technical colleges.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

State Health Benefit Plan (SHBP) – Administers self-insured program of health benefits for the employees of units of government of the State, units of county government and local education agencies located within the State.

Unemployment Compensation Fund – Accounts for the collection of employers' unemployment insurance tax and the payment of unemployment insurance benefits.

Additionally, the State reports the following fund types:

Governmental Funds

Special Revenue Funds – Account for specific revenue sources that are legally restricted to expenditures for specific purposes. The State's special revenue funds represent the blended component units that conduct general governmental functions and activities related to the Transportation Investment Act.

Debt Service Funds – Account for the payment of principal and interest on general long-term debt. The General Obligation Debt Sinking Fund, which is a legally mandated fund responsible for fulfilling annual debt service requirements on all general obligation debt, is included in this fund type, as is the SRTA Debt Service Fund.

Proprietary Funds

Enterprise Funds – Account for those activities for which fees are charged to external users for goods or services. These funds are also used when the activity is financed with debt that is secured by a pledge of the net revenues from fees and charges.

The State's nonmajor enterprise funds are Georgia Higher Education Facilities Authority, State Employees' Assurance Department and State Road and Tollway Authority.

Internal Service Funds – Account for the financing of goods or services provided by one department or agency to other State departments or agencies, or to other governmental entities, on a cost-reimbursement basis. The predominant participant in internal service fund activity is the primary government. The activities accounted for in the State's internal service funds include risk management, prison industries, property management, technology, and personnel administration.

Fiduciary Funds

Pension and Other Employee Benefit Trust Funds – Account for the retirement systems and plans administered by Employees' Retirement System of Georgia, TRS, and for pension plans administered on behalf of a variety of local government officials and employees. These funds also include those used to report the accumulation of resources for, and payment of other postemployment benefits.

Investment Trust Funds – Account for the external portions of government-sponsored investment pools, including Georgia Fund 1.

Private Purpose Trust Funds – Report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The Auctioneers Education, Research and Recovery Fund, Real Estate Education, Research and Recovery Fund, Subsequent Injury Trust Fund and Tuition Guaranty Trust Fund are reported in this category.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Custodial Funds – Reports fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. ARPA NEU for Local Governments, Child Support Recovery Program, Detainees' Accounts, Flexible Benefits Program, Insurance Premium Tax Collections for Local Governments Fund, Revenue Tax Collections for Local Governments Fund, Survivor Benefit Fund, Student Financial Aid and Support Fund, External Investment Pool, and other miscellaneous custodial funds are reported in this category.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balances

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand and demand deposits with banks and other financial institutions and short-term, highly liquid investments with maturity dates within three months of the date acquired, such as certificates of deposit, money market certificates and repurchase agreements. Cash and cash equivalents also include the holdings of the Board of Regents short-term fund.

Investments

Investments include financial instruments with terms in excess of three months from the date of purchase, certain other securities held for the production of revenue, and land and other real estate held as investments by endowments. Investments are presented at fair value. Changes in the fair value of land and other real estate held as investments by endowments are reported as investment income.

Pooled Investments with State Treasury

The Office of the State Treasurer (OST) manages the Local Government Investment Pool (LGIP) Trust. The LGIP Trust consists of three offerings: Georgia Fund 1 ("GF1"), Georgia Fund 1 Plus ("GF1 Plus") and Georgia Extended Asset Pool Plus ("GEAP Plus") and the LGIP Trust Reserve. In Fiscal year 2022, all Georgia Extended Asset Pool (GEAP) Target Maturity Portfolios ("TMPs") matured and the proceeds were reinvested in new GEAP Plus TMPs and equities investments by the Division of Investment Services of the Teachers' Retirement System. As of June 30, 2022, GEAP had no outstanding balance. For cash flow purposes, amounts reported in the Pooled Investments with State Treasury are considered cash equivalents.

The State's External Investment Pools (described below) generally value investments as follows:

- All investments except repurchase agreements, non-negotiable certificates of deposit (CD), direct-issued commercial paper, and other such nonparticipating investments are priced at fair value.
- Repurchase agreements, non-negotiable CD's, direct-issued commercial paper, and other such nonparticipating investments are carried at cost because they are nonparticipating contracts that do not capture interest rate changes in their value.

Security transactions are accounted for on a trade date basis which means that the purchases and sales of securities are recorded on the day the trade takes place with a corresponding payable or receivable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

External Investment Pools

The State Depository Board may permit any department, board, bureau or other agency to invest funds collected directly by such organization in short-term time deposit agreements, provided that the interest income of those funds is remitted to the State Treasurer as revenues of the State. As a matter of general practice, however, demand funds of any department, board, bureau or other agency in excess of current operating expenses are required to be deposited with the State Treasurer for the purpose of pooled investment per Official Code of Georgia (OCGA) §50-17-63. Such cash is managed primarily in pooled investment funds to maximize interest earnings. The pooled investment funds "Georgia Fund 1, and "Georgia Fund 1 Plus" are also available on a voluntary basis to organizations outside of the State reporting entity. The funds in the local government investment pool may be consolidated with State funds under control of the State Treasurer for investment purposes, per OCGA § 36-83-8.

Georgia Fund 1 – The (GF1 or the Primary Liquidity Portfolio's) primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal. It is managed as a stable Net Asset Value (NAV) pool. The Pool operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees of the pool are allocated to participants monthly on the ratio of the participant's share of the total funds in the pool based on the participant's average daily balance. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments. Per the Governmental Accounting Standards Board ("GASB") 79, to qualify for the use of amortized cost accounting for financial reporting purposes, an investment pool must meet all the criteria listed in GASB 79. GFI is managed as a stable NAV pool but does not comply with all the requirements listed in GASB 79; therefore, the investments of the pool are reported at fair value at fiscal year end.

Georgia Fund 1 Plus – (GF1 Plus) was established on July 1, 2016, and initially funded through redemptions in GF1. It is managed to maintain a stable Net Asset Value (NAV) of $1.00. For financial reporting purposes, the pool is reported at fair value. GF1 Plus was established as an additional LGIP investment option for the state, state agencies, and eligible municipalities looking to benefit from higher yields available by adding credit exposure.

Georgia Extended Asset Pool Plus – (GEAP Plus) was established on July 1, 2018 as an investment for the OPEB Trust funds. GEAP Plus was initially funded with OPEB Trust funds and received another contribution of OPEB funds in January 2019. In accordance with the OPEB Trust Policy, funds from each Target Maturity Portfolio (TMP) as they matured were partly distributed for reinvestment in equity investments managed by the Division of Investment Services of the Teachers Retirement System of Georgia with the remainder principal and interest reinvested in GEAP (which had no outstanding balance as of June 30, 2022) and GEAP Plus TMPs. For financial reporting purposes, investments of the pool are reported at fair value at fiscal year end.

Other Investments

The State's Unemployment Compensation Fund monies are required by the Social Security Act to be invested in the U.S. Department of Treasury, Bureau of Public Debt Unemployment Trust Fund (BPDUTF), which is not registered with the Securities and Exchange Commission. The fair value of the position in the BPDUTF is the same as the value of the BPDUTF shares.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables

Receivables in the State's governmental funds pertain primarily to the accrual of taxes, as well as to federal grants and to revenues related to charges for services. Receivables in all other funds have arisen in the ordinary course of business. Receivables are recorded, net of an allowance for uncollectible accounts, when either the asset or revenue recognition criteria (See Note 1-D) have been met. Receivables from the federal government are reasonably assured; an allowance for uncollectible accounts is not typically established for federal receivables. In the governmental fund financial statements, the portion considered "available" is recorded as revenue; the remainder is recorded as a deferred inflow of resources-unavailable.

Inventories and Prepaid Items

Inventories of supplies and materials are determined by physical count and/or perpetual inventory records and are valued at cost, weighted average cost, moving average cost, or lower of weighted average cost or market, using the first-in/first-out (FIFO) method, depending on the individual organization's preference. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased for larger agencies and agencies with material inventories. Other agencies may use either the purchase or consumption method.

Prepaid items include payments made to vendors and local government organizations for services that will benefit periods beyond the fiscal year-end. Also, the employer's portion of health insurance benefits applicable to coverage effective after the fiscal year-end is recorded as a prepaid item.

The fund balance of governmental funds is reported as nonspendable for inventories and prepaid items to indicate that these amounts do not represent expendable available financial resources.

Restricted Assets

Certain cash and cash equivalents, investments, and other assets are classified as restricted assets on the Balance Sheet and/or Statement of Net Position because their use is limited by applicable bond covenants, escrow arrangements or other regulations.

Capital Assets

Capital assets of governmental funds are recorded as expenditures at the time of purchase and capitalized in the governmental activities column of the government-wide Statement of Net Position. Capital assets of the State's proprietary funds and component units are capitalized in the fund in which they are utilized. Capital assets are stated at historical cost or, in some instances, estimated historical cost. Estimation methods include using historical sources to determine the cost of similar assets at the time of acquisition and indexing where the historical cost of an asset is estimated by taking the current cost of a similar asset and dividing it by an index figure which adjusts for inflation. Donated capital assets are stated at acquisition value at the time of donation and disposals are removed at recorded cost. Infrastructure and intangible assets, as defined by the State's policy, acquired after June 30, 1980, are reported.

All acquisitions in the following asset categories are capitalized regardless of cost:

Land and non-depreciable land improvements
Bridges and roadways included in the State highway system
Works of art and collections, acquired or donated (unless held for financial gain)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts for other asset categories are capitalized when the cost or value equals or exceeds the following thresholds. Items acquired through capital or donations are subject to these capitalization thresholds, using the classifications most closely related to the leased or donated assets.

Asset Category	**Threshold**
Infrastructure other than bridges and roadways in State highway system	$ 1,000,000
Software	$ 1,000,000
Intangible assets, other than software	$ 100,000
Buildings and building improvements	$ 100,000
Improvements other than buildings	$ 100,000
Library collections – capitalize all if collection equals or exceeds	$ 100,000
Machinery and equipment	$ 5,000

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. The State holds certain assets such as works of art, historical documents, and artifacts that have not been capitalized or depreciated because either they are held for financial gain or they are protected and preserved for exhibition, education, or research and are considered to have inexhaustible useful lives. Major outlays for construction of bridges and roadways in the State highway system are capitalized as projects are constructed. All other major construction projects are capitalized when projects are completed. Interest incurred during construction is not capitalized in governmental funds. Interest incurred during the construction of proprietary fund assets is included in the capitalized value of the asset.

Capital assets are depreciated over their useful lives using the straight-line depreciation method. The government-wide, proprietary fund and component unit financial statements report depreciation expense.

Capital assets without indefinite or inexhaustible useful lives are generally amortized or depreciated on the straight-line basis over the following useful lives:

Infrastructure	10-100 years
Buildings and building improvements	5-60 years
Improvements other than buildings	15-50 years
Machinery and equipment	3-20 years
Software	3-10 years
Intangible assets, other than software	20 years
Library collections	10 years
Works of art and collections	5-40 years

Deferred Outflows of Resources

In addition to assets, the government-wide and fund financial statements will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Local Education Agencies Payables

Local Education Agencies Payables are comprised of balances due to the local school districts related to federal and state grants and also includes the accrual for teacher's salary for the portion that is earned as of year-end, but not paid until the following fiscal year.

Policy Claims and Uninsured Liabilities

Policy claims liabilities are for insurance claims incurred prior to the reporting date and are based on actuarial estimates; however, policy claims liabilities for Unemployment Insurance are for claims filed as of the reporting date. See Note 18 (Risk Management) for additional information about policy claims liabilities.

Compensated Absences

The compensated absences liability is accrued for the estimated value of leave payments (e.g., for vacation, holiday deferrals, FLSA compensatory time, etc.) using pay rates in effect at the balance sheet date.

Full-time employees earn annual leave ranging from 10 to 14 hours each month depending upon the employee's length of continuous State service with a maximum accumulation of 360 hours. Employees are paid for unused accumulated annual leave upon retirement or termination of employment. Funds are provided in the appropriation of funds each fiscal year to cover the cost of annual leave of terminated or retired employees.

Employees earn 10 hours of sick leave each month with a maximum accumulation of 720 hours. Sick leave does not vest with the employee. There is no liability for accumulated sick leave because the State has no obligation to pay sick leave upon termination or retirement of employment. Unused accumulated sick leave is forfeited upon retirement or termination of employment. However, certain employees who retire with 120 days or more of forfeited annual and sick leave are entitled to additional service credit in ERS. No liability is recorded for rights to receive sick pay benefits.

Overtime for non-exempt employees is governed by the provisions of the Fair Labor Standards Act (FLSA). Overtime worked by non-exempt employees will normally be credited as FLSA compensatory time at a rate of one and one-half hours of compensatory time for each hour of overtime worked. Employees receive pay for overtime in lieu of FLSA compensatory time as provided in statewide policy or upon exceeding the accumulation limits of FLSA compensatory time and upon separation from employment.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column or business-type activities column on the government-wide Statement of Net Position and on the proprietary fund Statement of Net Position in the fund financial statements. Bond discounts and premiums are deferred and amortized over the life of the bonds using a method that approximates the effective interest method or the straight-line method. Bonds payable are reported net of the unamortized bond premium or discount. Bond issuance costs are recognized during the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principal and interest payments on long-term debt usually should be reported as expenditures under the modified accrual basis of accounting when due. When notes and loans payables become due and payable the liabilities are recorded in the fund from which payment will be made. When bonds or notes are a direct obligation and/or expected to be repaid from proprietary resources, they are recorded as a liability of the proprietary fund at face value.

The *Tax Reform Act of 1986* requires governmental organizations issuing tax-exempt bonds to refund to the U.S. Treasury, interest earnings on bond proceeds in excess of the yield on those bonds. Governmental organizations must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Organizations are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five years over the life of the bonds. Arbitrage liability, if applicable, is treated as an expense in the government-wide statements when the liability is recognized. In the fund financial statements, governmental funds report arbitrage (other debt service) expenditures when the liability is due.

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

Leases and Intangible Right-to-use Assets

The State has both leases under which it is obligated as a lessee and leases for which it is a lessor.

Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. Financed leases, which transfer ownership, are included in capital assets and notes payable on the Statement of Net Position.

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

The State is a lessor for non-cancelable leases of land and land improvements, buildings , and equipment. Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight line basis over the lease term.

At the commencement of a lease, the State initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflow of resources for deferred lease receipts is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain costs paid to or reimbursed to the lessee.

Key estimates and judgments include how the State determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts:

- The State uses its estimated incremental borrowing rate as the discount rate for leases, unless specifically identified in the lease.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The lease terms include the non-cancelable periods of the leases. Lease receipts included in the measurement of the lease receivables are composed of fixed payments the State will receive over the lease term.
- The State monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables.

Governmental funds recognize periodic payments on leases as expenditures in the period incurred. State organizations reported as governmental funds are also recording other financing sources and capital outlay expenditures for the net present value of the minimum lease payments. This applies in the initial year of the lease term only. Principal amounts of lease payments due within 12 months are recorded as a current liability.

Proprietary funds, fiduciary funds, component units using the accrual basis, and the government-wide financial statements are reporting capital assets as well as long and short-term payables on the statement of net position. Therefore, for leases, an intangible right-to-use asset and lease obligation are recorded at inception of the lease and periodic lease payments are recorded as interest expense and a reduction to the lease obligation. Additionally, amortization expense related to the leased intangible right-to-use asset are recorded.

Deferred Inflows of Resources

In addition to liabilities, the government-wide and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is "Net Position" on the government-wide, proprietary fund and fiduciary fund financial statements.

Net position is reported as net investment in capital assets, restricted or unrestricted. "Net Investment in Capital Assets" consists of capital assets and intangible right-to-use assets, net of accumulated amortization/depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of capital assets or related debt are included in Net Investment in Capital Assets. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount are not included.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories may be designated, indicating it is not available for general operations. Such designations have internally imposed constraints on resources, but can be removed or modified.

When both restricted and unrestricted net position are available for use, it is the State's policy to first utilize federal funds available from restricted net position. Other funds not otherwise remitted to the State Treasury, which may be available from restricted or unrestricted net position should be utilized next, prior to the use of State funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balances

Generally, fund balance represents the difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted into cash) or (b) legally or contractually required to be maintained intact, such as inventory, prepaid items, and the principal in a permanent fund.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the State or through the external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal actions of both the Governor and the General Assembly. The Georgia Legislature and Governor represent the State's highest level of decision-making authority. Formal action consists of legislation passed by both the House and Senate and signed by the Governor and is required to establish, modify or rescind a limitation.

Assigned – Fund balances are reported as assigned when amounts are constrained by the State's intent that they be used for specific purposes, but they are neither restricted nor committed. Assignments may be made under statutory authority of management of the reporting organizations in the State.

Unassigned – The residual amount of fund balance is reported as unassigned for balances that do not meet the above constraints. The government reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

As with net position, when both restricted and unrestricted (committed, assigned, unassigned) fund balances are available for use, it is the State's policy to first utilize federal funds available from restricted fund balance. Other funds not otherwise remitted to the State Treasury, which may be available from restricted, committed or assigned fund balance should be utilized next, prior to the use of State funds when expenditures are incurred for purposes for which amounts in any of those funding sources could be used. Within unrestricted fund balance, after the above consideration of funding source, the State's policy is that committed amounts generally should be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Interfund Activity and Balances

Equally offsetting asset and liability accounts (due from/to other funds) are used to account for amounts owed to a particular fund by another fund for obligations on goods sold or services rendered.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of activities between governmental activities and business-type activities. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or requirements for repayment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers of balances between funds are made to accomplish various provisions of law.

Interfund payables and receivables have been eliminated from the Statement of Net Position except for amounts due between governmental and business-type activities. These amounts are reported as internal balances on the Statement of Net Position.

NOTE 2 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

A. Implementation of New Accounting Standards

In fiscal year 2022, the State implemented the following GASB Statements:

Statement No. 87, *Leases,* establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease obligation and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The adoption of this statement resulted in a restatement of the net position of the governmental funds and activities, business-type activities, proprietary funds, fiduciary funds and discretely presented component units.

Statement No. 89*, Accounting for Interest Cost Incurred before the End of a Construction Period*, this statement both enhances the relevance and comparability of information about capital assets and the cost of borrowing and simplifies accounting for interest costs incurred before the end of a construction period. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

Statement No. 92, *Omnibus 2020*, the objective of this statement is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by focusing on practice issues that have been identified during the implementation of various GASB Statements. The adoption of this statement does not have a significant impact on the financial statements.

Statement No. 93, *Replacement of Interbank Offered Rates*, which establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates in hedging derivative instruments and leases. The adoption of this statement does not have a significant impact on the financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* the objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this statement does not have a significant impact on the financial statements.

Statement No. 99, *Omnibus 2022,* which is effective for certain elements of the requirement effective upon issuance (FY2022 for the State of Georgia). The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation. The adoption of this statement does not have a significant impact on the financial statements.

NOTE 2 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING (continued)

B. Change in Accounting Principles

During the fiscal year GASB Statement No. 87 was adopted, which required restatement of June 30, 2021 Primary Government, Component Unit, Proprietary Funds and Business-Type Activities, and Fiduciary Funds net position. See below on Note 3 Fund Equity Reclassifications and Restatement for implementation by fund type. These changes are in accordance with generally accepted accounting principles.

C. Correction of Prior Year Errors

Primary Government

During the fiscal year it was determined an adjustment was needed because prepaid assets on the Georgia Department of Transportation's (GDOT) general fund financial statements related to unearned revenues at the State Road and Tollway Authority's (SRTA) special revenue fund were overstated. GDOT's fund balance was overstated by $69.9 million. An adjustment was made to decrease the beginning fund position.

During the fiscal year it was determined an adjustment was needed because SRTA's net Nonmajor Governmental fund balance was overstated by $31.8 million. Adjustments were made to increase beginning fund balance.

Proprietary Funds and Business-type Activities

During the fiscal year it was determined an adjustment was needed because there were balances previously recorded in the incorrect SRTA Nonmajor Enterprise fund in the amount of $3.9 million. An adjustment was made to increase beginning net position.

During the fiscal year it was determined an adjustment was needed because there were balances incorrectly recorded in the Unemployment Compensation Fund of Department of Labor in the amount of $15.2 million. An adjustment was made to decrease beginning net position.

NOTE 3 - FUND EQUITY RECLASSIFICATIONS AND RESTATEMENTS

Reclassifications and Restatements consisted of the following (amounts in thousands):

	6/30/2021 As Previously Reported	Change in Accounting Principles	Correction of Prior Year Errors	6/30/2021 (Restated)
Governmental Funds and Activities				
Major Funds:				
General Fund	$ 13,349,114	$ —	$ (69,859)	$ 13,279,255
General Obligation Bond Projects Fund	1,440,848	—	—	1,440,848
Nonmajor Funds:				
Special Revenue Funds	537,240	—	631,815	1,169,055
Debt Service Fund	618,267	—	(600,042)	18,225
Total Governmental Funds	15,945,469	—	(38,086)	15,907,383
Government-wide Adjustments				
Capital Assets, net of depreciation	25,918,216	—	—	25,918,216
Intangible Right-to-use Assets, net of amortization	—	483,061	—	483,061
Other Noncurrent Assets and Liabilities	(677,264)	15	—	(677,249)
Deferred Inflows/Outflows of Resources	1,128,008	(801,218)	—	326,790
Long-Term Liabilities Related to Debt and Leases	(11,684,482)	(435,107)	—	(12,119,589)
Long-Term Accounts Receivable	—	815,139	—	815,139
OPEB Assets/Liabilities	(1,319,377)	—	—	(1,319,377)
Pension Assets/Liabilities	(3,313,993)	—	—	(3,313,993)
Inclusion of Internal Service Funds in Governmental Activities	642,575	9,122	—	651,697
Total Governmental Funds and Activities	**$ 26,639,152**	**$ 71,012**	**$ (38,086)**	**$ 26,672,078**
Proprietary Funds and Business-type Activities				
Major Funds:				
Higher Education Fund	$ 2,407,316	$ 42,201	$ —	$ 2,449,517
State Health Benefit Plan	602,031	(15)	—	602,016
Unemployment Compensation Fund	406,959	—	(15,218)	391,741
Nonmajor Funds:				
Enterprise Funds	216,665	—	3,913	220,578
Internal Service Funds	445,661	9,121	—	454,782
Internal Service Funds Look-Back Adjustments				
Removal of Internal Service Funds Relating to Governmental Activities	(642,575)	(9,122)	—	(651,697)
Total Proprietary Funds and Business-type Activities	**$ 3,436,057**	**$ 42,185**	**$ (11,305)**	**$ 3,466,937**
Fiduciary Funds				
Pension and Other Employee Benefit Trust Funds	130,361,963	—	—	$ 130,361,963
Investment Trust Funds	12,302,540	—	—	12,302,540
Private Purpose Trust Funds	346,398	63	—	346,461
Custodial Funds				
Custodial	680,317	—	—	680,317
External Investment Pool	$ 72,193	—	—	72,193
Total Fiduciary Funds	**$ 143,763,411**	**$ 63**	**$ —**	**$ 143,763,474**
Discretely Presented Component Units	**$ 13,661,293**	**$ 5,621**	**$ —**	**$ 13,666,914**
Total Reporting Entity	**$ 187,499,913**	**$ 118,881**	**$ (49,391)**	**$ 187,569,403**

NOTE 4 - FUND BALANCE AND NET POSITION

A. Fund Balances

The specific purposes of the governmental funds fund balances, classified as other than unassigned, at June 30, 2022 are as follows (amounts in thousands):

	General Fund	General Obligation Bond Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable Fund Balance				
Inventories and Prepaid Amounts	**$ 39,268**	**$ —**	**$ —**	**$ 39,268**
Restricted Fund Balance				
Capital Projects	$ —	$ 1,508,955	$ —	$ 1,508,955
Guaranteed Revenue Debt				
Common Reserve Fund	49,515	—	—	49,515
Emission Regulation	8,746	—	—	8,746
Healthcare Facility Regulation	24,766	—	—	24,766
Indigent Care Trust Fund	6,814	—	—	6,814
LOGO Program	19,260	—	—	19,260
Lottery For Education	1,895,982	—	—	1,895,982
Roads and Bridges (Motor Fuel Tax Funds)	3,982,417	—	676,801	4,659,218
Roadside Enhancement and Beautification Fund	4,220	—	—	4,220
Unclaimed Property	39,849	—	—	39,849
Underground Storage Tank Trust Fund	107,630	—	—	107,630
Unissued Debt/Debt Service	162,086	—	8,187	170,273
Utility Location, Planning and Coordination of Transportation Projects	25,980	—	—	25,980
Food Stamp Recoveries	5,378	—	—	5,378
Brain & Spinal Injury Trust Fund	2,531	—	—	2,531
Help America Vote Act	1,565	—	—	1,565
Victims of Violent Crime Emergency Fund	13,948	—	—	13,948
Health and Welfare				
Behavioral Health	11,341	—	—	11,341
Community Health	151,964	—	—	151,964
Human Services	14,317	—	—	14,317
Public Health	14,117	—	—	14,117
Transportation	213	—	—	213
Public Safety	46,280	—	—	46,280
Economic Development and Assistance	19,961	—	—	19,961
Culture and Recreation	69,025	—	—	69,025
Other	3,919	48,758	532,586	585,263
Total Restricted Fund Balance	**$ 6,681,824**	**$ 1,557,713**	**$ 1,217,574**	**$ 9,457,111**
Committed Fund Balance				
Administrative Services State Purchasing	$ 17,824	$ —	$ —	$ 17,824
Billeting Funding	1,535	—	—	1,535
Georgia Blindness Prevention Program	1,176	—	—	1,176
Veterans' Homes Residency Fees	914	—	—	914
Other	9,240	—	—	9,240
Total Committed Fund Balance	**$ 30,689**	**$ —**	**$ —**	**$ 30,689**
Assigned Fund Balance				
General Government	$ 111,647	$ 59,122	$ 133	$ 170,902
Education	221,350	—	—	221,350
Health and Welfare	650,470	—	—	650,470
Transportation	191,401	—	40,081	231,482
Public Safety	223,686	—	—	223,686
Economic Development and Assistance	56,428	—	—	56,428
Culture and Recreation	45,308	—	—	45,308
Conservation	4,604	—	—	4,604
Total Assigned Fund Balance	**$ 1,504,894**	**$ 59,122**	**$ 40,214**	**$ 1,604,230**

NOTE 4 - NET POSITION AND FUND BALANCES (continued)

B. Restricted Net Position

The State's net position restricted by enabling legislation represents resources which a party external to a government, such as citizens, public interest groups, or the judiciary, can compel the government to use only for the purpose specified by the legislation. The government-wide Statement of Net Position reports $11.1 billion of restricted net position.

C. Deficit Net Position

The business-type activities of the State ended the year with an unrestricted net position deficit of $5.8 billion, which is primarily due to the recognition of net pension and OPEB liabilities, as well as various debt related items. Items of note regarding this deficit balance are as follows:

- GASB 68, as related to pensions, required the State to recognize its proportionate share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2022, the liability resulted in a $2.8 billion impact to unrestricted net position.

- GASB 75, as related to OPEB, required the State to recognize its proportional share of the net OPEB liability of the OPEB plans applicable to said standard. As of June 30, 2022, the liability resulted in a $5.1 billion impact to unrestricted net position.

- The State Road and Tollway Authority's deficit of $239.0 million in unrestricted net position of business-type activities is primarily a result of $367.4 million in outstanding balance for the Series 2021AB Guaranteed Revenue Bonds. Secured in July 2021, this financing provided defeasance of previous balances for the I-75 Northwest Corridor project TIFIA loan and the I-75S express lanes transportation revenue bonds, along with providing funding for ongoing capital needs for the authority.

NOTE 5 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of June 30, 2022 are classified in the accompanying financial statements as follows (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Primary Government			
Cash and Cash Equivalents	$ 8,039,370	$ 1,012,608	$ 9,051,978
Pooled Investments with State Treasury	22,817,535	2,360,609	25,178,144
Investments	3,358,615	1,529,444	4,888,059
Restricted Assets			
Cash and Cash Equivalents	1,800,356	546,583	2,346,939
Pooled Investments with State Treasury	437,614	417,893	855,507
Investments	271,211	4,679,265	4,950,476
Fiduciary Funds			
Cash and Cash Equivalents	2,265,183	—	2,265,183
Pooled Investments with State Treasury	14,870,471	—	14,870,471
Investments	108,521,259	—	108,521,259
Total Cash and Investments	**$ 162,381,614**	**$ 10,546,402**	**$ 172,928,016**

Cash on hand, deposits and investments as of June 30, 2022 consist of the following (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Cash on Hand	$ 782	$ 62	$ 844
Deposits with Financial Institutions (Note 5A)	4,511,173	1,284,972	5,796,145
Investments (Note 5B)	118,527,075	6,393,833	124,920,908
Pooled Investments with State Treasury (Note 5D)	38,125,621	2,778,501	40,904,122
Unemployment Compensation Funds with U.S. Treasury	1,305,997		1,305,997
Assets Held at the Board of Regents on Behalf of Other Organizations	(89,034)	89,034	—
Total Cash and Investments	**$ 162,381,614**	**$ 10,546,402**	**$ 172,928,016**

A. Deposits

Deposits include certificates of deposit and demand deposit accounts. The State Depository Board (Board) has authority to determine collateral requirements for State demand deposit accounts. Beginning in October 2008, in response to the U.S. financial crisis, the Board required all uninsured State deposits to be fully collateralized until September 2012. Its investment policy was amended to permit the Office of the State Treasurer (OST) to diversify its portfolio to include investments in deposit agreements that are with highly rated U.S. banks classified to be low or very low risk, as measured by the OST counterparty risk assessment model.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The Board permits OST to invest in deposit agreements in approved banks as an alternative to purchasing commercial paper and corporate notes issued by highly rated U.S. banks because of the clear preference of all depositor claims, insured and uninsured, over general creditors. OST has been advised that there is a clear and significant difference in favor of deposits over commercial paper in the event of insolvency or liquidation of a U.S. bank thus, OST gives preference to interest-bearing demand deposits due to both a preference in safety of capital and daily liquidity. For any single financial institution, investments deposit agreements, in approved banks that are not collateralized or secured as described below, together with purchases of commercial paper, cannot exceed 5% of total portfolio assets invested by OST.

Other than the deposit agreements referenced above, State demand deposits, time deposits and other certificates of deposit must be secured by eligible collateral, a Federal Home Loan Bank letter of credit, or a surety bond approved by the Board. There are currently no issuers of surety bonds that have been approved by the Board. Eligible collateral includes any one or more of the following securities as enumerated in OCGA § 50-17-59:

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

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

3) Bonds of any public authority created by the laws of the State, providing that the statute that created the authority authorized the use of the bonds for this purpose, the bonds have been duly validated and they are not in default.

4) Industrial revenue bonds and bonds of development authorities created by the laws of the State, for which bonds have been duly validated and they are not in default.

5) Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the U.S. Government, which are fully guaranteed, both as to principal and interest and debt obligations issued, or securities guaranteed 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 Corporation and the Federal National Mortgage Association.

The Board is authorized in OCGA § 50-17-58 to allow agencies of the State the option of exempting demand deposits from the collateral requirements. Currently, the Board has only authorized OST to waive collateral on special accounts approved by the Board, as referenced above, in accordance with its investment policy. The Board requires all other State demand deposits, time deposits and certificates of deposits to be collateralized in an amount equal to and not less than 110% of any deposit not insured by the FDIC. In addition, the Board instituted a requirement to limit total State deposits at any State depository to not exceed 100% of the depository’s equity capital. The Board may temporarily increase the total State deposit limit at any State depository to 125% of equity capital to allow for fluctuation in demand deposit balances. Credit unions are not authorized to serve as State depositories.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the State's deposits may not be recovered. The OST Investment Policy specifies safety of capital as the first priority in investing funds and liquidity as the second priority, followed by investment return and diversification. In adherence to these objectives, OST maintains balances in deposit agreements in approved banks for investment unless commercial paper issued by those financial institutions offers a risk-adjusted advantage. OST closely monitors the credit of U.S. banks having deposit agreements.

Beginning in 2018, the Board implemented the 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 State Treasurer 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 State Treasurer 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 participants in the SDP are considered to be fully insured.

At June 30, 2022, bank balances of the primary government and its component units' deposits not included in the SDP totaled $3.2 billion. It includes balances reported in fiduciary funds other than Pension and Other Employee Benefit Trust Funds as these balances are not separable from the holdings of the primary government. Of these bank balances, $258.0 million were exposed to custodial credit risk as follows (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Uninsured and uncollateralized	$ 58,103	$ 39,510	$ 97,613
Uninsured and collateralized with securities held by the pledging financial institutions	3,283	1,184	4,467
Uninsured and collateralized with securities held by the pledging institutions' trust departments or agents, but not in the State's name	81,158	74,774	155,932
Total deposits exposed to custodial credit risk	**$ 142,544**	**$ 115,468**	**$ 258,012**

The carrying amounts of deposits of certain higher education foundations which utilize FASB standards were $377.9 million. These deposits are not included in the balances reflected above. Total SDP balance for the primary government and its component units' is $0.9 billion.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

B. Investments

Investment Policies

Primary Government

The predominant portions of the primary government's investments are managed by OST and the University System of Georgia (USG). OST's and USG's investment policies are therefore presented as the investment policies of the primary government.

The State Depository Board has adopted two investment policies to govern State investments:

1) The Investment Policy for the Office of the State Treasurer (OST Investment Policy) dictates investment of assets managed by OST.

2) The Investment Policy for Approved State Investment Accounts (Investment Policy for Approved Agency Accounts) governs investments managed by organizations other than OST.

OST Investment Policy

OST is the only organization approved by the Board to invest funds pursuant to the OST Investment policy. The State Treasurer shall invest all funds with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment. OST is to invest all funds prudently, considering first, the probable safety of capital and then probable income, while meeting daily cash flow requirements and conforming to all statutes governing the investment of public funds.

OST is authorized to invest in securities and other investments as permitted in OCGA § 36-83-2, § 36-83-4, § 50-5A-7, § 50-17-2, § 50-17-27 and § 50-17-63. Authorized investments are subject to certain restrictions pursuant to the OST Investment Policy and specific guidelines for the individual portfolios managed by OST. Authorized investments and related restrictions and guidelines are described below:

a) Repurchase agreements – Repurchase agreements and reverse repurchase agreements may be transacted with authorized institutions that are rated investment grade by one or more nationally recognized rating agency or are determined by the Treasurer to have adequate capital and liquidity, with maximum exposure per institution determined by the Treasurer and adjusted as needed due to the financial condition of such institutions, the size of the OST investment portfolios, and in accordance with the OST counterparty risk assessment model. Repurchase agreements must be collateralized by obligations of the United States and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government or other securities authorized for investment by the Treasurer in subsection (b) of Code of Section 50-17-63. Collateral comprised of obligations of the United States and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government must have a market value of at least 102% of the investment and other eligible collateral must have a market value of 105% of the investment. Collateral must be held by a third party custodian approved by the Treasurer and marked-to-market daily. Exceptions to the requirements for third party custody of collateral or collateral requirements may be approved by the Treasurer for authorized institutions if necessary on occasion. All counterparties, and exceptions to

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

custody and collateral requirements shall be reported by the Treasurer to the State Depository Board. All reverse repurchase agreements shall be approved in advance by the Treasurer.

b) Certificates of deposit (CD's) – The maximum term of CD's shall not exceed five years. OST shall not place funds in non-negotiable CD's at any depository if such placement of funds will result in total state deposits at such depository in excess of 100% of total equity capital. Provided, however, that the Treasurer may authorize placement of funds in CD's at a depository if such placement of funds will result in total state deposits not to exceed 125% of total equity capital on an as needed basis to allow for fluctuations in demand deposit balances. All CD's must be fully insured by the FDIC or secured by collateral permitted by statute. Surety bonds acceptable as security for CD's shall require approval by the State Depository Board with such credit constraints or limitations it determines. Pledged securities shall be held by a third party custodian approved by OST. Pledged securities shall be marked-to-market at least monthly with depositories required to initially pledge to OST, and thereafter maintain upon notification or any shortfall, collateral having a market value equal to 110% of CD's or be secured through the Georgia multibank pledging pool program (Secure Deposit Program) with "Required Collateral" as defined therein.

c) Commercial paper (CP) – CP issued by domestic corporations carrying ratings no lower than P-1 by Moody's Investors Service and A-1 by Standard & Poor's Corporation, in an amount, including the balance of any bank deposit held for investment purposes described in (d) (4), below, that does not exceed 5% of portfolio assets for any single issuer.

d) Bank deposits held for investment purposes (formerly referred to as negotiated investment deposit agreements). – Deposit agreements with banks that are (1) secured by collateral permitted by statute, held by a third party custodian, marked-to-market daily, and having a market value equal to or exceeding 110% of the deposit; (2) secured through the Georgia multibank pledging pool program (Secure Deposit Program) with "Required Collateral" as defined therein; (3) fully secured by a letter-of-credit issued by a Federal Home Loan Bank; (4) fully secured by a surety bond issued by a financial institution approved by the State Depository Board; (5) fully insured by the FDIC; or, (6) subject to funds being available upon demand, with U.S. banks carrying ratings no lower than P-2 by Moody's Investors Service or A-2 by Standard & Poor's Corporation, are determined by the Treasurer to have adequate capital, with maximum exposure per institution determined by the Treasurer and adjusted as needed due to the financial condition of such institutions, the size of the OST investment portfolios, and in accordance with the OST counterparty risk assessment model in an amount, including any CP issued by the respective financial institution held for investment by OST, that does not exceed 5% of portfolio assets for any single institution.

e) Prime bankers acceptances – Bankers acceptances must carry the highest rating assigned to such investments by a nationally recognized rating agency.

f) Obligations issued by this state or its agencies or other political subdivisions of this state. Such investments, if meeting statutory investment requirements, may be approved for investment by the Treasurer with the requirement that they are of high credit quality and are reported to the State Depository Board.

g) Obligations of corporations – Obligations of domestic corporations including notes, bonds, negotiable CD's, and other marketable securities must be rated investment grade or higher by a nationally recognized rating agency.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

h) Obligations issued by the government of any foreign country – Direct obligations of the government of any foreign country must be rated A or higher by a nationally recognized rating agency.

i) International Bank for Reconstruction and Development or the International Financial Corporation – Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation must be rated A or higher by nationally recognized rating agency.

j) Georgia Fund 1 (GF1), Georgia Fund 1 Plus, Georgia Extended Asset Pool Plus (GEAP Plus), and any other funds comprising the local government investment pool in amounts necessary for prudent diversification, liquidity, and investment income.

k) Asset-backed securities – Pursuant to OCGA § 50-5A-7(b), asset-backed securities rated AAA, having broad liquidity reflecting at least $350 million of outstanding issuance and issued by an underlying credit rated A3/A or higher by Standard and Poor's Corporation or Moody's Investor Service.

l) Commercial mortgage-backed securities – Pursuant to OCGA § 50-5A-7(b), commercial mortgage-backed securities rated AAA by Standard and Poor's Corporation or Moody's Investors Service.

m) Such other limitations as determined by the Treasurer to be necessary for the preservation of principal, liquidity, or marketability of any of the portfolios, including allowing investment in any single issuer of CP as described in (c) above or bank deposits held for investment purposes as described in (d) above to temporarily exceed 5% for a period not to exceed 10 business days to allow for efficient investment of accounts experiencing significant fluctuation of balances.

Investment Policy for Approved Agency Accounts

The OST Investment Policy does not authorize organizations other than OST to invest funds. OCGA § 50-17-63(a) requires all demand funds held by any State organization to be deposited in accounts at State depositories approved by the Board. In the alternative, with prior approval of the Board, a state entity may be permitted to invest in time deposits, other permitted investments and any interest income from the invested funds must be remitted to the Treasurer as revenues of the State unless specific statutes provide otherwise. Therefore, the Board adopted the Investment Policy for Approved State Agency Investment Accounts to govern investment activity in accounts approved by the Board other than investments managed or overseen by OST or "excluded entities". These "excluded entities" include, but are not limited to, the Georgia Higher Education Savings Plan, USG, the Employees' Retirement System (ERS), Teachers Retirement System of Georgia (TRS), and the Georgia Lottery Corporation. Only organizations that are approved by the Board to establish and maintain investment accounts may rely on the Investment Policy for Approved Agency Accounts to invest funds. As of June 30, 2022, no State organizations had received Board approval to establish investment accounts governed by the Investment Policy for Approved Agencies.

Board of Regents Investment Policies

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 SEC as an investment company. The fair value of the investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each pooled investment fund balance at fair value along with a pro rata share of the pooled fund's investment returns.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified University System participants. These policies are intended to foster sound and prudent responsibility each institution has to the citizens of Georgia and which conforms to the Board of Regents investment policy. All investments must be consistent with donor intent, Board of Regents policy, and applicable Federal and state laws.

Units of the University System of Georgia and their affiliated organizations may participate in the Pooled Investment Fund program. The overall character of the pooled fund portfolio should be one of above average quality, possessing at most an average degree of investment risk. The Board of Regents' pooled investment fund options are described below:

1) Short-Term Fund - The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under OCGA § 50-17-59 and § 50-17-63. The average maturities of investments in this fund will typically range between daily and four years, and the fund will typically have an overall average duration of 9 months to 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Short Term Fund at June 30, 2022 was $693.2 million, of which 100% was invested in debt securities. The Effective Duration of the Fund is 0.96 years.

2) 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 OCGA § 50-17-59 and § 50-17-63. The average maturities of investments in this fund will typically range between three and five 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 Legal Fund at June 30, 2022 was $16.3 million, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.32 years.

3) Balanced Income Fund - The Balanced Income Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents. The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% 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 Balanced Income Fund at June 30, 2022 was $209.7 million, of which 68% is invested in debt securities. The Effective Duration of the Fund is 5.76 years.

4) 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,

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Total Return Fund at June 30, 2022 was $32.2 million, of which 37% is invested in debt securities. The Effective Duration of the Fund is 6.03 years.

5) Diversified Fund - The Diversified Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to provide improved return characteristics with reduced volatility through greater diversification. This pool is appropriate for investing longer term funds such as endowments. Permitted investments in the fund may include domestic, international and emerging market equities, domestic fixed income and global fixed income. The equity allocation shall range between 60% and 80% of the portfolio, 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 Diversified Fund at June 30, 2022 was $232.0 million, of which 28% is invested in debt securities. The Effective Duration of the Fund is 5.90 years.

6) Diversified Fund for Foundations - The Diversified Fund for Foundations is available only to University System of Georgia affiliated organizations. Like the Diversified Fund, the fund is designed to provide improved return characteristics with reduced volatility through greater diversification and is appropriate for investing longer term funds such as endowments. Investments in the fund may include domestic, international and emerging market equities, domestic and global investment grade and non-investment grade fixed income and liquid alternative investments. The equity allocation shall range between 40% and 75% of the portfolio, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 10% and 40% of the portfolio, with a target of 20% of the total portfolio. The alternatives portion of the portfolio shall range between 0% and 30% of the portfolio, with a target of 15% of the total portfolio. Cash reserves and invested income are invested at all times in the highest quality par stable (A1, P1) institutional money market funds, or other high quality short term instruments. The market value of the Diversified Fund for Foundations at June 30, 2022 was $70.7 million, of which 22% is invested in debt securities. The Effective Duration of the Fund is 5.13 years.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

In accordance with OCGA § 47-20-83, Public Retirement Systems may invest in the following:

1) U.S. or Canadian corporations or their obligations with limits as to the corporations' size and credit rating.
2) Repurchase and reverse repurchase agreements for direct obligations of the U.S. Government and for obligations unconditionally guaranteed by agencies.
3) FDIC insured cash assets or deposits.
4) Bonds, notes, warrants, loans or other debt issued or guaranteed by the U.S. Government.
5) Taxable bonds, notes, warrants or other securities issued and guaranteed by any state, the District of Columbia, Canada or any province in Canada.
6) Bonds, debentures or other securities issued or insured or guaranteed by an agency, authority, unit, or corporate body created by the U.S. Government.
7) Investment grade collateralized mortgage obligations.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

8) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation.
9) Bonds, debentures, notes and other evidence of indebtedness issued, assumed, or guaranteed by any solvent institution existing under the laws of the U.S. or of Canada, or any state or province thereof, which are not in default and are secured to a certain level.
10) Secured and unsecured obligations issued by any solvent institution existing under the laws of the U.S. or of Canada, or any state or province thereof, bearing interest at a fixed rate, with mandatory principal and interest due at a specified time with additional limits.
11) Equipment trust obligations or interests in transportation equipment, wholly or in part within the U.S., and the right to receive determinate portions or related income.
12) Loans that are secured by pledge or securities eligible for investment.
13) Purchase money mortgages or like securities received upon the sale or exchange of real property acquired.
14) Secured mortgages or mortgage participation, pass-through, conventional pass-through, trust certificate, or other similar securities with restrictions.
15) Land and buildings on such land used or acquired for use as a fund's office for the convenient transaction of its own business with restrictions.
16) Real property and equipment acquired under various circumstances.
17) Shares of mutual funds registered with Securities and Exchange Commission.
18) Commingled funds and collective investment funds maintained by state chartered banks or trust companies.

In addition, large retirement systems have restrictions as to the concentration of investments in corporations and equities and additional stipulations exist related to decreases in a fund's asset value. The retirement systems have additional restrictions on the acquisition of securities of companies with activities in the Iran petroleum energy sector. A list of scrutinized companies with activities in the Iran petroleum energy sector has been compiled and is annually updated. This list is utilized to identify and potentially divest the retirement systems of such holdings.

In accordance with OCGA § 47-20-87, certain eligible large retirement systems (excluding the Teachers Retirement System of Georgia) are authorized to invest in alternative investments such as privately placed investment pools that include investments such as leveraged buyout funds, mezzanine funds, workout funds, debt funds, venture capital funds, merchant banking funds, funds of funds and secondary funds. In addition, these retirement systems are authorized to invest in private placements and other private investments such as leveraged buyouts, venture capital investment, equity investments such as preferred and common stock, warrants, options, private investments in public securities, recapitalizations, privatizations, mezzanine debt investments, distressed debt and equity investments, convertible securities, receivables, debt and equity derivative instruments, etc. The amount invested by an eligible large retirement system in alternative investments may not in the aggregate exceed 5% of the eligible large retirement system's assets at any time.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Other Postemployment Benefits (OPEB)

In May of 2018, the State created an investment policy for state and school OPEB trust funds. The policy requires at least 25% of funds to be invested at State Treasury and be subject to OST policy. The remaining funds are invested by ERS in publicly traded equities permitted in accordance with OCGA § 47-20-84.

Component Units

Component units follow applicable investing criteria as specifically authorized by statute or by the component unit's governing authority. Certain higher education foundations utilize FASB standards. Balances for those component units as of June 30, 2022, are as follows (amounts in thousands):

	Fair Value
Bond Securities	$ 114,199
Certain split-interest investments	10,751
Certificates of Deposits	1,150
Charitable limited family partnerships	1,231
Commodity funds	10,312
Corporate Debt-Domestic	22,756
Credit Funds/Alternative Funds	22,644
Derivatives	(23,721)
Equity Securities-Domestic	305,417
Equity Securities-International	535,761
General Obligation Bonds	20,570
Hedge fund limited partnerships	294,852
Hedge Funds	789,029
Money Market Mutual Funds	553,865
Mutual Funds Debt	108,207
Mutual Funds Equities Domestic	276,633
Mutual Funds Equities International	334,223
Natural Resources	162,274
Private Equities	979,545
Private Equity limited partnerships	279,659
Real asset limited partnerships	47,753
Real assets	5,923
Real Estate Investment Trusts	96,508
Real Estate Investments	120,180
Repurchase Agreements	1,195
US Agencies Obligations	7,015
US Agencies Obligations-Explicitly Guaranteed	14,849
US Treasuries Obligations	40,664
Venture capital-equity funds	11,993
Other Pooled/Managed funds	6,745
Other	65
Total Investments	**$ 5,152,247**

The component unit disclosures that follow do not include these balances, with the exception of the fair value measurement tables.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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.

Primary Government

OST's policy for management of interest rate risk attempts to match investments with expected cash requirements. However, certificates of deposit may not have a term exceeding five years. The State Treasurer may establish duration or maturity limitations for other investments.

USG's policy for managing interest rate risk attempts to match investments with expected cash requirements.

The following table provides information about the primary government's exposure to interest rate risk. It includes balances reported in fiduciary funds other than Pension and Other Employee Benefit Trust Funds as these balances are not separable from the holdings of the primary government (amounts in thousands):

		Maturity Period				
	Total Fair Value	Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Bank Deposits Held for Investment Purposes	$ (313,741)	$ (313,741)	$ —	$ —	$ —	$ —
Bond Securities	16	—	—	—	—	16
Corporate Debt						
Domestic	248,083	60,258	108,712	78,657	417	39
International	3	—	—	—	—	3
Money Market Mutual Funds	5,040,274	5,040,274	—	—	—	—
Municipal Bonds	948	—	60	467	171	250
Mutual Funds - Debt*	73,912	168	590	14,819	29,467	28,868
Repurchase Agreements	945,000	945,000	—	—	—	—
U.S. Agency Obligations - Explicitly Guaranteed	220,583	114,276	5,747	67,011	1,392	32,157
U.S. Agency Obligations	1,084,747	324,059	368,103	348,633	14,112	29,840
U.S. Treasury Obligations	2,056,070	1,029,994	826,263	199,813	—	—
Total Debt Securities	**9,355,895**	**$ 7,200,288**	**$ 1,309,475**	**$ 709,400**	**$ 45,559**	**$ 91,173**
Equity Mutual Funds						
Domestic	105,893					
International	655					
Equity Securities						
Domestic	140,441					
International	551					
Pooled Investments	65,338					
Real Estate Held for Investments	6,358					
Real Estate Investment Trust	654					
Other	227					
Total Investments	**$ 9,676,012**					

*Maturity Period is weighted average maturity.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds Administered by the Employees' and Teachers Retirement Systems

The Boards of the Employees' and Teachers Retirement Systems have elected to manage interest rate risk of these pension and other employee benefit trust funds using the effective duration method. This method is widely used in the management of fixed income portfolios and quantifies to a much greater degree the sensitivity to interest rate changes when analyzing a bond portfolio with call options, prepayment provisions, and any other cash flows. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows and is best utilized to gauge the effect of a change in interest rates on the fair value of a portfolio. It is believed that the reporting of effective duration found in the table below quantifies to the fullest extent possible the interest rate risk of the funds' fixed income assets (amounts in thousands):

	Total Fair Value	Effective Duration (Years)
Corporate and Other Bonds	$ 6,851,110	5.2
International Obligations:		
Corporate	465,590	4.3
U.S. Treasury Obligations	22,147,748	4.8
Total Debt Securities	29,464,448	
Common Stock		
Domestic	56,297,182	
International	15,966,978	
Mutual Funds - Equity	7,338	
Private Equity	846,588	
Commingled Funds	2,160,914	
Total Investments	**$ 104,743,448**	

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds Administered by Other than the Employees' and Teachers Retirement Systems

The Public Retirement System Investment Authority Law does not address specific policies for managing interest rate risk. The following table provides information about interest rate risks associated with these pension and other employee benefit trust funds' investments (amounts in thousands):

		Maturity Period				
	Total Fair Value	Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Asset-backed Securities						
Domestic	$ 29,305	$ —	$ —	$ 17,792	$ 3,710	$ 7,803
Corporate Debt						
Domestic	194,198	3,246	6,537	83,104	54,887	46,424
International	5,884	—	—	3,434	1,034	1,416
Commingled Funds	33,057	—	—	33,057	—	—
Guaranteed Investment Contracts	972	—	—	—	—	972
International Government Obligations	742	—	—	236	171	335
Money Market Mutual Funds	78,021	78,021	—	—	—	—
Mortgage-backed Securities	122,152	458	—	415	951	120,328
Municipal Bonds	7,762	216	—	2,646	1,447	3,453
Mutual Funds - Debt*	25,107	—	—	4,726	8,496	11,885
U.S. Agency Obligations-Explicitly Guaranteed	1,900	—	—	39	—	1,861
U.S. Agency Obligations	111,015	—	21	1,258	6,817	102,919
U.S. Treasury Obligations	128,010	518	3,269	50,647	33,531	40,045
Total Debt Securities	**738,125**	**$ 82,459**	**$ 9,827**	**$ 197,354**	**$ 111,044**	**$ 337,441**
Commingled Funds	248,264					
Equity Mutual Funds						
Domestic	80,453					
International	8,748					
Equity Securities						
Domestic	2,345,134					
International	290,185					
Exchange Traded Funds-Equity	21,304					
Pooled Investments	206,732					
Private Equity	110,367					
Real Estate Investment Trust	57,970					
Other	337					
Total Investments	**$ 4,107,619**					

*Maturity period is weighted average maturity.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority.

The component units' exposure to interest rate risk is presented below (amounts in thousands):

	Total Fair Value	Maturity Period: Less than 3 Months	4 - 12 Months	1 - 5 Years	6 - 10 Years	More than 10 Years
Asset-Backed Securities						
Domestic	$ 148	$ —	$ —	$ 148	$ —	$ —
Certificate of Deposits	3,594	245	1,948	1,401	—	—
Corporate Debt						
Domestic	66,707	1,666	11,657	34,721	17,190	1,473
International	172	—	—	172	—	—
Insurance Contracts	21,019	—	—	—	—	21,019
International Government Obligations	4,180	76	1,263	1,261	1,253	327
General Obligation Bonds	1,054	1,054	—	—	—	—
Investment Agreements	11,829	—	—	5,014	4,394	2,421
Money Market Mutual Funds	191,093	183,223	3,606	4,264	—	—
Mortgage-Backed Securities	89,778	1	12	2,138	2,784	84,843
Municipal Bonds	704	—	—	538	124	42
Mutual Funds - Debt*	39,012	1,000	492	16,622	19,163	1,735
Non-purpose investments	85,571	—	85,571	—	—	—
Repurchase Agreements	84,818	79,053	—	—	5,765	—
Strategic Income Opportunities Funds	44,098	—	—	44,098	—	—
U.S. Agency Obligations - Explicitly Guaranteed	4,394	2,716	137	1,519	22	—
U.S. Agency Obligations	119,311	686	19,388	82,690	14,534	2,013
U.S. Treasury Obligations	399,358	9,816	15,958	304,783	42,515	26,286
Total Debt Securities	**1,166,840**	**$ 279,536**	**$ 140,032**	**$ 499,369**	**$ 107,744**	**$ 140,159**
Equity Mutual Funds						
Domestic	53,716					
International	6,095					
Equity Securities						
Domestic	1,561					
International	146					
Exchange Traded Funds	9,207					
Other Investments	4,022					
Total Investments	**$ 1,241,587**					

* Maturity Period is weighted average maturity.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. The credit risk tables presented on the following pages have been prepared using Standard and Poor's Corporation ratings scales.

Primary Government

OST utilizes a counterparty risk assessment model to assess credit risk of financial institutions that have been approved to serve as counterparties and major depositories. OST has assigned credit limits to each financial institution based upon its counterparty risk assessment model which incorporates market indicators, default probabilities, issuer research and issuer ratings to determine maximum credit exposure per institution, term of investment for respective counterparties and collateralization requirements in accordance with the OST Investment Policy.

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

1) In the Short-Term Fund and Legal Fund, all debt issues must be eligible investments under OCGA § 50-17-59 and § 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.

2) In the Balanced Income Fund, Total Return Fund, and Diversified Fund, total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.

3) In the Diversified Fund for Foundations, fixed income investments include investment grade and high yield domestic bonds, dollar-and non-dollar denominated global bonds, and emerging market bonds. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The exposure of the primary government's debt securities to credit risk is indicated below (amounts in thousands):

	Total Fair Value	AAA	AA	A	BBB	BB	Not Rated
Bond Securities	$ 16	$ —	$ —	$ —	$ —	$ —	$ 16
Corporate Debt							
Domestic	248,083	—	49,352	193,471	5,257	—	3
International	4	—	—	—	—	—	4
Money Market Mutual Funds	5,040,273	4,321,383	9,288	—	—	—	709,602
Municipal Bonds	947	70	566	235	56	—	20
Mutual Funds - Debt	73,911	474	77	—	—	19	73,341
Repurchase Agreements	945,000	—	—	—	—	—	945,000
U.S. Agency Obligations	1,084,747	254,707	830,040	—	—	—	—
Total Credit Risk-Investments	**7,392,981**	**$ 4,576,634**	**$ 889,323**	**$ 193,706**	**$ 5,313**	**$ 19**	**$ 1,727,986**
Bank Deposit Held for Investment Purposes	(313,741)						
U.S. Agency Obligations Explicitly Guaranteed	220,585						
U.S. Treasury Obligations	2,056,070						
Total Debt Securities	**$ 9,355,895**						

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

The credit risk of pension and other employee benefit trust funds is managed by restricting investments to those authorized by the Public Retirement System Investment Authority Law as previously described. The Boards of individual funds may elect to implement more restrictive policies. The pension and other employee benefit trust funds' debt securities exposure to credit risk is indicated below (amounts in thousands):

	Total Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	D	Not Rated
Asset-backed Securities											
Domestic	$ 29,304	$ 16,733	$ 4,537	$ 3,870	$ 1,528	$ 44	$ 121	$ 530	$ 112	$ 74	$ 1,755
Corporate Debt											
Domestic	7,045,308	1,246,538	3,661,249	1,985,085	146,944	1,181	86	—	—	—	4,225
International	471,475	—	465,590	121	4,331	1,423	—	—	—	—	10
Guaranteed Investment Contracts	972	—	—	—	—	—	—	—	—	—	972
International Government Obligations	742	—	171	236	335	—	—	—	—	—	—
Money Market Mutual Funds	78,020	18,700	—	—	—	—	—	—	—	—	59,320
Mortgage-backed Securities	122,150	42,665	17,354	8,555	6,223	1,254	216	83	133	62	45,605
Municipal Bonds	7,763	714	547	3,701	2,801	—	—	—	—	—	—
Mutual Funds - Debt	25,108	—	—	—	—	—	—	—	—	—	25,108
U.S. Agency Obligations	111,016	1,554	—	2,699	1,158	119	—	—	—	—	105,486
Total Credit Risk - Investments	**7,891,858**	**$1,326,904**	**$4,149,448**	**$2,004,267**	**$163,320**	**$4,021**	**$ 423**	**$ 613**	**$ 245**	**$ 136**	**$242,481**
Commingled Funds	33,057										
U.S. Agency Obligations											
Explicitly Guaranteed	1,900										
U.S. Treasury Obligations	22,275,758										
Total Debt Securities	**$30,202,573**										

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority. The exposure of the component units' debt securities to credit risk is indicated below (amounts in thousands):

	Total Fair Value	AAA	AA	A	BBB	BB	Not Rated
Asset-Backed Securities							
Domestic	$ 148	$ 148	$ —	$ —	$ —	$ —	$ —
Certificate of Deposits	3,594	—	—	—	—	—	3,594
Corporate Debt							
Domestic	66,707	485	21,104	29,435	14,968	323	392
International	172	—	—	—	—	—	172
Insurance Contracts	21,019	21,019	—	—	—	—	—
International Government							
Obligations	4,181	—	—	2,613	1,448	120	—
General Obligation Bonds	1,054	1,054	—	—	—	—	—
Investment Agreements	11,829	5,268	—	—	6,561	—	—
Money Market Mutual Funds	191,094	77,789	—	—	—	—	113,305
Mortgage-Backed Securities	89,778	9,341	80,003	95	41	—	298
Municipal Bonds	704	98	383	214	9	—	—
Mutual Funds - Debt	39,012	1,100	—	8,137	9,815	—	19,960
Non-purpose investments	85,571	—	—	—	—	—	85,571
Repurchase Agreements	84,818	5,765	—	—	—	—	79,053
Strategic Income							
Opportunities Funds	44,098	—	—	—	—	—	44,098
U.S. Agency Obligations	119,311	37,442	72,010	—	—	—	9,859
Total Credit Risk - Investments	**763,090**	**$ 159,509**	**$ 173,500**	**$ 40,494**	**$ 32,842**	**$ 443**	**$ 356,302**
U.S. Treasury Obligations	399,358						
U.S. Agency Obligations							
Explicitly Guaranteed	4,394						
Total Debt Securities	**$ 1,166,842**						

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of a counterparty to a transaction, the value of the investment or collateral securities in possession of a third party custodian may not be fully recovered by the State.

Primary Government

OST's policy for managing custodial credit risk for investments is:

1) OST has appointed a federally regulated banking institution, State Street, as its custodian. State Street performs its duties to the standards of a professional custodian.
2) All securities transactions are settled on a delivery versus payment basis through an approved depository institution such as the Federal Reserve or the Depository Trust Company.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

3) Repurchase agreements are collateralized by obligations of the United States and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government or other securities authorized by the Treasurer in subsection (b) of Code Section 50-17-63 in accordance with the State Depository Board policy.
4) OST has retained an independent firm to serve as its liquidation agent in the event of a counterparty default.

The University System of Georgia's policy for managing custodial credit risk for investment is:

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

At June 30, 2022, $5.0 million was uninsured and held by the investment's counterparty's trust department or agent, but not in the USG's name.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

The custodial credit risk of pension and other employee benefit trust funds is managed by restricting investments to those authorized by the Public Retirement System Investment Authority Law described above. At June 30, 2022, $1.3 million of the pension and other employee benefit trust funds' investments were uninsured, unregistered and held by the counterparty or the counterparty's trust department, but not in the State's name.

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority.

Concentration of Credit Risk

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

Primary Government

To manage concentration risk, the OST Investment Policy requires diversification of investments to reduce overall portfolio risks while maintaining market rates of return. Investments in each portfolio shall be diversified to mitigate risk of loss from an over-concentration in a specific issuer, counterparty or depository. The State Treasurer establishes Investment Guidelines for each investment portfolio to assure that prudent diversification and adequate liquidity is maintained. OST utilizes a counterparty risk assessment model to determine maximum exposure to each approved financial institution.

The University System's policy for managing concentration requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

At June 30, 2022, for the USG business-type activity investments approximately 7.57% of investments were investments in Federal National Mortgage Assoc. notes and pools.

At June 30, 2022, approximately 10.93% of the primary government's total investments were investments in securities of U.S. agencies not explicitly guaranteed by the U.S. Government. Approximately 50.79% of the primary government's total investments were invested in Money Market Mutual Funds.

Fiduciary Funds – Pension, Other Employee Benefit Trust Funds and Custodial Funds

The concentration of credit risk policy of pension limits investments to no more than 5% of total net investments in any one issuer of corporate bonds. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At June 30, 2022, with the exception of the USG items listed below, no more than 5% of the pension's total investments were investments in any single issuer other than the U.S. Government or its agencies.

At June 30, 2022, approximately 6.80% and 6.44% of the total USG Fiduciary Fund investments were invested in ISHARES DJ Select Dividend ETF and Vanguard Total Stock Market ETF, respectively. These investments are reported in the following Funds as follows:

- Approximately 17.01% and 7.41% of the Deferred Compensation for Board of Regents investments were invested in TIAA Stable Value guaranteed investment contracts and TIAA Real Estate investment, respectively.

- Approximately 10.55%, 10.92% and 11.14% of Augusta University Early Retirement Pension Plan Fiduciary Fund investments were invested in Vanguard Total Stock Market ETF, Invesco S&P Equal Weight ETF and Ishares DJ Select Dividend EFT domestic securities, respectively.

Information related to Other Postemployment Benefit trust funds (OPEB) disclosures is included in the LGIP Trust Fund Financial Statement report issued by OST. For concentration of credit risk, refer to the report published on OST's website ost.georgia.gov. For the remaining funds invested by ERS, concentration of credit risk policy of OPEB limits investments to no more than 5% of total net investments in any one issuer of corporate bonds.

Component Units

The component units follow the applicable investing criteria specifically authorized by statute or by the component unit's governing authority. At June 30, 2022, no more than 5% of the component units total investments were investments in any single issuer other than the U.S. Government or its agencies.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

C. *Fair Value Measurements*

In accordance with GASB Statement No. 72 (GASB 72), some investments are measured using inputs divided into three fair value hierarchies:

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

- Level 2: Inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

- Level 3: Unobservable inputs for an asset or liability.

Fixed-income securities use price evaluations; other investments are exempt from GASB 72's disclosure requirement because they are not reported at fair value, but instead valued using cost based measures.

In general, investments were valued using the following techniques:

- Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 are valued using prices quoted for similar instruments in active markets. Equity securities classified in Level 3 are valued using third party valuations not currently observable in the market.

- Debt securities classified in Level 1 are valued using prices quoted in active market. Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have non-proprietary information that are readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Debt securities classified in Level 3 are not currently observable in the market.

- Mutual funds and commingled funds classified in Level 1 are valued using prices quoted in active markets for those investments types. Mutual funds and commingled funds classified in Level 2 are valued using prices quoted for similar instruments in active markets.

- Investments classified in Level 3 include real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investment in this category have been estimated using the net asset value of the University System of Georgia's (USG) ownership interest in partners' capital. Real estate investments are less liquid and, generally, cannot be redeemed with the funds through normal redemption procedures. Distributions from real estate investment funds will be received as the underlying investments of a fund are liquidated. Guaranteed investment contracts are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Primary Government

The following table provides information about the primary government's investments in regards to GASB 72 (amounts in thousands):

Investments by fair value levels	Total	Level 1	Level 2	Level 3
Bond Securities	$ 16	$ 16	$ —	$ —
Corporate Debt				
Domestic	248,083	3	248,080	—
International	4	4	—	—
Equity Mutual Fund				
Domestic	105,893	105,893	—	—
International	655	655	—	—
Equity Securities				
Domestic	140,441	140,441	—	—
International	551	184	367	—
Money Market Mutual Funds	5,040,273	5,040,273	—	—
Municipal Bonds	947	947	—	—
Mutual Funds - Debt	73,911	73,911	—	—
Real Estate Held for Investment Purposes	6,358	—	—	6,358
Real Estate Investment Trusts	654	654	—	—
US Agencies Obligations-Explicitly Guaranteed	220,584	—	220,584	—
US Agencies Obligations	1,084,747	57,788	1,026,959	—
U.S. Treasury Obligations	2,056,070	2,044,525	11,545	—
Other	228	228	—	—
	8,979,415	**$ 7,465,522**	**$ 1,507,535**	**$ 6,358**
Reconciling Items:				
Bank Deposits Held for Investment Purposes	(313,741)			
Pooled Investments	65,338			
Repurchase Agreements	945,000			
Total Investments	**$ 9,676,012**			

Fiduciary Funds

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The following table provides information about the fiduciary investments in regards to GASB 72 (amounts in thousands):

Investments by fair value levels	Total	Level 1	Level 2	Level 3	Net Asset Value
Asset-backed Securities					
Domestic	$ 29,304	$ —	$ 29,304	$ —	$ —
Commingled Funds	2,193,971	91,272	2,102,699	—	—
Commingled Funds - Equity	248,264	248,264	—	—	—
Corporate Debt					
Domestic	7,045,308	—	7,045,308	—	—
International	471,474	—	471,474	—	—
Equity Securities					
Domestic	58,642,316	58,642,316	—	—	—
International	16,257,163	16,169,357	85,668	2,138	—
Exchange Traded Funds - Equity	21,304	21,304	—	—	—
Guaranteed Investment Contracts	972	—	—	972	—
International Government Obligations	741	—	741	—	—
Money Market Mutual Funds	78,021	24,421	53,600	—	—
Mortgage Backed Securities	122,152	—	122,152	—	—
Municipal bonds	7,763	—	7,763	—	—
Mutual Funds-Debt	25,108	25,108	—	—	—
Mutual Fund Equities					
Domestic	87,791	87,791	—	—	—
International	8,748	8,748	—	—	—
Private Equities	956,955	—	—	—	956,955
Real Estate Investment Trusts	57,970	57,970	—	—	—
U.S. Agencies Obligations Explicitly Guaranteed	1,900	—	1,900	—	—
U.S. Agency Obligations	111,016	—	111,016	—	—
U.S. Treasury Obligations	22,275,757	22,147,748	128,009	—	—
Other	337	337	—	—	—
	108,644,335	**$ 97,524,636**	**$ 10,159,634**	**$ 3,110**	**$ 956,955**

Reconciling Items:	
Pooled Investments	206,732
Total Investments	**$ 108,851,067**

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Component Units

The following table provides information about the component unit investments in regards to GASB 72 (amounts in thousands):

Investments by fair value levels	**Total**	**Level 1**	**Level 2**	**Level 3**	**Net Asset Value**
Asset-backed Securities					
Domestic	$ 148	$ —	$ 148	$ —	$ —
Bond Securities	114,199	93,904	20,239	—	56
Certain split-interest investments	10,751	8,664	—	2,087	—
Certificate of Deposits	4,744	4,744	—	—	—
Charitable limited family partnerships	1,231	—	—	1,231	—
Commodity funds	10,312	—	10,312	—	—
Corporate Debt					
Domestic	89,463	60,660	28,411	—	392
International	172	—	—	—	172
Credit Funds/Alternative Funds	22,644	—	—	—	22,644
Derivatives	(23,721)	(23,721)	—	—	—
Equity Securities					
Domestic	306,978	306,614	—	—	364
International	535,907	484,454	—	—	51,453
Exchange Traded Funds-Equity	9,207	9,207	—	—	—
General Obligation Funds	21,624	21,624	—	—	—
Hedge fund limited partnerships	294,852	—	—		294,852
Hedge Funds	789,029	—	—	—	789,029
Insurance Contracts	21,019	—	—	—	21,019
International Government Obligations	4,180	4,180	—	—	—
Investment Agreements	11,830	—	—	11,830	—
Money Market Mutual Funds	744,958	729,071	109	—	15,778
Municipal Obligations	704	96	608	—	—
Mutual Bond Funds	147,219	86,024	37,902	14,121	9,172
Mutual Fund Equities					
Domestic	330,349	324,175	571	—	5,603
International	340,318	243,395	—	—	96,923
Mortgage Backed Securities	89,778	89,778	—	—	—
Natural Resources	162,274	—	—	7,602	154,672
Non Purpose Investments	85,571	—	85,571	—	—
Private Equities	979,545	—	—	—	979,545
Private Equity limited partnerships	279,659	—	—	—	279,659
Real asset limited partnerships	47,753	—	—	—	47,753
Real assets	5,922	86	—	—	5,836
Real Estate Held for Investment Purposes	120,180	31,600	—	88,580	—
Real Estate Investment Trusts	96,508	47,424	—	—	49,084
Strategic Income Opportunity fund	44,098	44,098	—	—	—
US Agencies Obligations-Explicitly Guaranteed	19,243	7,939	11,304	—	—
US Agencies Obligations	126,325	116,362	9,963	—	—
U.S. Treasury Obligations	440,023	241,130	198,893	—	—
Venture capital-equity funds	11,993	—	—	—	11,993
Other Pooled/Managed funds	6,744	6,424	298	—	22
Other	4,086	3,507	195	38	346
	6,307,819	**$ 2,941,439**	**$ 404,524**	**$ 125,489**	**$ 2,836,367**
Repurchase Agreements	86,014				
Total Investments	**$ 6,393,833**				

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

The State's currency risk exposures, or exchange rate risks, primarily reside within the retirement system's international equity investment holdings. The retirement systems' foreign exchange risk management policy is to minimize risk and protect the investments from negative impact by hedging foreign currency exposures with foreign exchange instruments when market conditions and circumstances are deemed appropriate.

As of June 30, 2022, the State's exposure to foreign currency risk in U.S. Dollars are highlighted in the tables below (amounts in thousands):

(Table on next page)

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

International Investment Securities at Fair Value as of June 30, 2022

	Employees' Retirement System of Georgia				Teachers Retirement System of Georgia			
Currency	**Cash & Cash Equivalents**	**Equities**	**Fixed Income**	**Total**	**Cash & Cash Equivalents**	**Equities**	**Fixed Income**	**Total**
Australian Dollar	$ —	$ 43,778	$ —	$ 43,778	$ —	$ 229,825	$ —	$ 229,825
Brazilian Real	—	16,203	—	16,203	—	85,259	—	85,259
British Pound	—	108,377	—	108,377	—	558,073	—	558,073
Canadian Dollar	—	34,787	—	34,787	—	182,606	—	182,606
Chilean Peso	—	2,455	—	2,455	—	13,051	—	13,051
Chinese Renminbi	—	5,933	—	5,933	—	30,637	—	30,637
Columbian Peso	—	773	—	773	—	4,045	—	4,045
Czech Koruna		1,532	—	1,532	—	7,756	—	7,756
Danish Krone	—	13,790	—	13,790	—	71,738	—	71,738
Euro	—	274,194	—	274,194	—	1,421,922	—	1,421,922
Hong Kong Dollar	158	235,264	—	235,422	729	1,224,946	—	1,225,675
Hungarian Forint		1,074	—	1,074	—	5,637	—	5,637
Indian Rupee	33	71,261	—	71,294	181	372,852	—	373,033
Indonesian Rupiah	—	5,232	—	5,232	—	27,143	—	27,143
Israeli Shekel	—	3,064	—	3,064	—	15,825	—	15,825
Japanese Yen	—	184,233	—	184,233	—	950,287	—	950,287
Malaysian Ringgit	—	9,052	—	9,052	—	48,230	—	48,230
Mexican Peso	—	7,200	—	7,200	—	37,594	—	37,594
New Taiwan Dollar	—	39,276	—	39,276	—	207,993	—	207,993
New Zealand Dollar	—	737	—	737	—	4,218	—	4,218
Norwegian Krone	—	2,288	—	2,288	—	11,797	—	11,797
Philippine Peso	1	3,295	—	3,296	7	17,435	—	17,442
Polish Zloty	—	3,331	—	3,331	—	17,349	—	17,349
Qatari Riyal	—	3,483	—	3,483	—	18,508	—	18,508
Singapore Dollar	—	19,966	—	19,966	—	101,894	—	101,894
South African Rand	—	12,965	—	12,965	—	68,725	—	68,725
South Korean Won	—	63,719	—	63,719	—	333,850	—	333,850
Swedish Krona	—	39,578	—	39,578	—	204,830	—	204,830
Swiss Franc	—	37,609	—	37,609	—	194,343	—	194,343
Thailand Baht	—	13,690	—	13,690	—	71,978	—	71,978
UAE Dirham	—	9,576	—	9,576	—	50,804	—	50,804
Total Holdings subject to Foreign Currency Risk	192	1,267,715	—	1,267,907	917	6,591,150	—	6,592,067
Investment Securities payable in U.S. Dollars	—	1,307,439	93,118	1,400,557	—	6,798,403	372,472	7,170,875
Total International Investment Securities - at Fair Value	**$ 192**	**$ 2,575,154**	**$ 93,118**	**$ 2,668,464**	**$ 917**	**$ 13,389,553**	**$ 372,472**	**$ 13,762,942**

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Other Pension and Employee Benefit Trust Funds

Currency	Cash & Cash Equivalents	Equities	Fixed Income	Total
Australian Dollar	$ —	$ 2,278,355	$ —	$ 2,278,355
British Pound	74,995	12,882,941	—	12,957,936
Canadian Dollar	—	1,247,230	—	1,247,230
Danish Krone	—	210,654	—	210,654
Euro	55,472	5,293,271	—	5,348,743
Japanese Yen	2,908	168,930	—	171,838
Mexican Peso	—	318,622	—	318,622
Norwegian Krone	224	2,174,196	—	2,174,420
Swedish Krona	92	2,220,681	—	2,220,773
Swiss Franc	204	226,124	—	226,328
Total Holdings subject to Foreign Currency Risk	133,895	27,021,004	—	27,154,899
Investment Securities payable in U.S. Dollars	—	20,922,723	656,280	21,579,003
Total International Investment Securities - at Fair Value	$ 133,895	$ 47,943,727	$ 656,280	$ 48,733,902

D. Pooled Investments with State Treasury

As of the end of the year, the state operates three local government investment offerings managed by OST and is comprised of Georgia Fund 1, Georgia Fund 1 Plus and Georgia Extended Asset Pool Plus (GEAP Plus). In Fiscal year 2022, all Georgia Extended Asset Pool (GEAP) TMPs matured and the proceeds were reinvested in new GEAP Plus TMPs and equities investments by the Division of Investment Services of the Teachers' Retirement System. As of June 30, 2022, GEAP had no outstanding balance. GEAP Plus was established on July 1, 2018 as an investment for the OPEB Trust Fund and is comprised of 11 TMPs managed by a subadvisor overseen by OST. The pools invest funds of the State and funds of other governmental entities. The local government investment pools jointly maintain a reserve consisting of members' administrative fees. This reserve can be used to stabilize the investment pools and to fund the administrative expenses for managing the pools. Separate reports on the State's investment pools are issued. Refer to the OST website ost.georgia.gov for additional information on the Georgia Fund 1, Georgia Fund 1 Plus and GEAP Plus pools.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

E. Securities Lending Program

The State is presently involved in securities lending programs with major brokerage firms. The State lends equity and fixed income securities for varying terms and receives a fee based on the loaned securities' value. During a loan, the State continues to receive dividends and interest as the owner of the loaned securities.

Fiduciary Funds – Pension and Other Employee Benefit Trust Funds

In the pension and other employee benefit trust funds' securities lending agreements, the brokerage firms pledge collateral securities consisting of U.S. Government and agency securities, mortgage-backed securities issued by a U.S. Government agency, and U.S. corporate bonds. The collateral value must be equal to at least 102% to 109% of the loaned securities value, depending on the type of collateral security.

Securities loaned totaled $12.7 billion at June 30, 2022, and the collateral value was equal to 103.0%. The loaned securities are in the accompanying note disclosures based on the custodial arrangements for the collateral securities. Loaned securities are included in the accompanying Statement of Net Position because the State maintains ownership. The related collateral securities are not recorded as assets on the Statement of Fiduciary Net Position, and a corresponding liability is not recorded, since the State does not pledge or trade the collateral securities. In accordance with the criteria set forth in GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, the State is deemed not to have the ability to pledge or sell collateral securities, since the State's lending contracts do not address whether the lender can pledge or sell the collateral securities without a borrower default. The State has not previously demonstrated that ability, and there are no indications of the State's ability to pledge or sell collateral securities.

F. Other Investments

The State's Unemployment Compensation Fund monies are required by the Social Security Act to be invested in the U.S. Department of Treasury, Bureau of Public Debt Unemployment Trust Fund (BPDUTF), which is not registered with the SEC. The fair value of the position in the BPDUTF is the same as the value of the BPDUTF shares.

The Commissioner of the Department of Agriculture is directed by statute to require dealers in certain agricultural products and livestock to make and deliver to the Department a surety or cash bond to secure the faithful accounting for and payment to producers of the proceeds of agricultural products or livestock handled or sold by the dealer. Cash bonds are required to designate the Department as trustee of the funds and may take the form of certificates of deposit, letters of credit, money orders or cashiers' checks. At June 30, 2022, the Department held surety bonds in the amount of $48.8 million, and cash bonds in the amount of $17.3 million. These bonds are not recorded on the Statement of Net Position.

Securities are held by the Commissioner of Insurance pursuant to statutes that require licensed insurance companies to deposit securities prior to issuance of a certificate of authority to transact insurance. These securities remain in the name of the licensed insurance company as long as the company has a pending claim in the State or until a proper order of a court of competent jurisdiction has been issued to the receiver, conservator, rehabilitation, or liquidator of the insurer or to any other properly designated official or officials who succeed to the management and control of the insurer's assets. The purchase and redemption of such securities are allowed as long as the required levels of deposits are maintained. At June 30, 2022, securities valued at $201.5 million were held by the Department of Insurance. These securities are not recorded on the Balance Sheet.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Statutes require that surety bonds be provided for State public works contracts. The Department of Transportation holds surety bonds in the amount of $8.2 billion for construction performance to ensure proper completion and complete performance of construction contracts, and $9.0 billion for construction payment to ensure that payments are made by the general contractor to all subcontractors. These bonds are not recorded on the Statement of Net Position.

The Georgia State Financing and Investment Commission (GSFIC) State Construction Manual policies require that surety bonds be provided for payment and performance of all State projects of $0.1 million or more. The Department of Corrections holds surety bonds in the amount of $118.3 million for construction performance to ensure proper completion and complete performance of construction contracts. These bonds are not recorded on the Statement of Net Position.

For any organization that elects to assume the liability for unemployment compensation payments in lieu of making contributions to the Unemployment Compensation Fund, the Commissioner of the Department of Labor is authorized by statute to require such organization to execute and file with the Commissioner a cash deposit or surety bond. Cash deposits are held on behalf of such organizations in the Department's name, and are reported as custodial funds. At June 30, 2022, the Department held surety bonds in the amount of $38.0 million, and cash bonds in the amount of $3.3 million. These bonds are not recorded on the Statement of Net Position.

Department of Defense Surety Bonds are required of all freight carriers in order to transport military freight. They are mandated by a wing of the military called the Surface Deployment and Distribution Command (SDDC). The bond amount is based on the size of the company and how many states they serve. Department of Defense holds surety bonds in the amount of $28.3 million for freight carriers transporting military freight.

NOTE 6 - DERIVATIVE INSTRUMENTS

Derivative Instruments are utilized by some of the higher education foundations (reported as component units) and consist primarily of interest rate swap agreements. Certain foundations (component units) have elected to apply FASB provisions and therefore the disclosure information for these foundations is presented separately. Details of the long term liabilities associated with the interest rate swap derivatives are within *Note 10 – Long-term Liabilities*.

Component Units – GASB Organizations

The fair value balances and notional amounts of hedging derivative investments outstanding as reported in the fiscal year 2022 and 2021 financial statements for higher education foundations reported as component units reporting under GASB provisions are as follows (amounts in thousands):

	Change in Fair Value		Fair Value at 06/30/22		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - GASB					
Cash flow hedges:					
AU Health Systems, Inc.					
2021A - Interest Rate Swap	Investment Revenue	$ 10,268	Debt	$ (10,337)	$ 92,900
University of Georgia Athletic Association, Inc.					
2005B - Interest Rate Swap	Deferred outflow of resources	1,948	Debt	(1,767)	17,850
				$ (12,104)	

	Change in Fair Value		Fair Value at 06/30/21		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - GASB					
Cash flow hedges:					
AU Health Systems, Inc.					
2021A - Interest Rate Swap	Investment Revenue	$ 7,577	Debt	$ (20,604)	$ 97,390
University of Georgia Athletic Association, Inc.					
2005B - Interest Rate Swap	Deferred outflow of resources	(1,350)	Debt	(3,715)	18,830
				$ (24,319)	

Interest Rate Swap Derivatives

AU Health Systems, Inc.

AU Health Systems, Inc. (The Health System) entered into a variable-to-fixed interest rate swap (the Swap) to convert the Health System's variable interest rate concurrent with the 2008 bond issuance to a synthetic fixed rate of 3.302%. The swap continued to be in effect with the 2014 bond issuance and the 2021A bond issuance. In September 2021 the Health System novated the swap with a new counterparty and the fixed rate was adjusted to 3.362%.

The Swap matures on July 1, 2037. The notional amount of the Swap at June 30, 2022 and 2021 was $92.9 and $97.4 million, respectively. The notional amount decreased from the initial notional amount of $135.0 million. The notional value of the Swap declines in conjunction with payments of bond principal although the amortization schedule of the notional value was not realigned with the nominal principal payment schedule of the 2021A Bonds.

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

The principal balance on the bonds will approximate the notional amount of the Swap. Under the Swap, the Health System pays the counterparty interest at a fixed rate of 3.362% and receives interest payments at a variable rate computed as 68% of London Interbank Offered Rate (LIBOR). The swap has not yet been amended to transition away from LIBOR, which is set to be discontinued on June 30, 2023.

The fair value of the Swap is recorded as an asset or liability, depending on whether the termination of the Swap would result in amounts due to the Health System or the Swap counterparty. At June 30, 2022 and 2021, the fair value of the Swap represented a liability to the Health System in the amount of $10.3 and $20.6 million, respectively. The Health System or the Swap counterparty is required to post collateral with the other party in the event that the fair value of the Swap exceeds certain thresholds, as defined. At June 30, 2022 and 2021, the Health System had $10.3 and $20.6 million posted cash and investment collateral with the Swap counterparty, respectively, which is included in other assets in the accompanying statements of net position.

As of June 30, 2022 and 2021, the Health System was exposed to credit risk in the amount of the fair value of the Swap. The Health System had two Swap counterparties at June 30, 2021. As of June 30, 2021, the Swap counterparties were rated A+ and A by Fitch Ratings, A1 and A2 by Moody's Investors Services and A+ and A by Standard & Poor's. Due to the Swap novation, the Health System had one counterparty at June 30, 2022. As of June 30, 2022, the Swap counterparty was rated AA by Fitch, Aa2 by Moody's, and A+ by Standard & Poor's. To mitigate the potential for credit risk, various levels of collateralization by the counterparty may be required should the counterparty's credit rating be downgraded and the fair value of the Swap be in a liability position at a level above certain thresholds specified in the Swap agreement.

The Health System or the counterparty may terminate the Swap if the other party fails to perform under the terms of the agreement. The new counterparty has the option to terminate the Swap if the Health System credit rating is below BB+ or Ba1. If the Swap is terminated, the variable rate bonds would no longer carry a synthetic fixed interest rate. Also, if, at the time of termination, the Swap has a negative fair value (unfavorable to the Health System), the Health System would be liable to the counterparty for a payment equal to the Swap's fair value.

University of Georgia Athletic Association, Inc. (UGAA)

For derivative transactions, unless otherwise specified, Bank of America Merrill Lynch ("BOAML") furnishes a single value for each transaction, even if comprised of multiple legs. Unless otherwise specified, valuations for derivative instruments represent, or are derived from, mid-market values. For some derivative instruments, mid-market prices and inputs may not be observable. Instead, valuations may be derived from proprietary or other pricing models based on certain assumptions regarding past, present, and future market conditions. Some inputs may be theoretical, not empirical, and require BOAML to make subjective assumptions and judgments in light of its experience. For example, in valuing OTC equity options where there is no listed option with a corresponding expiration date, BOAML must estimate the future share price volatility based on realized volatility of the underlying shares over periods deemed relevant, implied volatilities of the longest dated listed options available on the underlying shares or major indices and other relevant factors. Valuations of securities with embedded derivatives may be based on assumptions as to the volatility of the underlying security, basket or index, interest rates, exchange rates, dividend yields, correlations between these or other factors, the impact of these factors upon the value of the security (including the embedded options), as well as issuer funding rates and credit spreads (actual or approximated) or additional relevant factors. While BOAML believes the methodology and data it uses to value derivatives and securities with embedded derivatives are reasonable and appropriate, other dealers might use different methodology or data and may arrive at different valuations.

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

Objective and Terms – As a means of interest rate management, the Association entered into an interest rate swap transactions with Bank of America, N.A. (the "Counterparty") relating to its variable rate tax-exempt Series 2005B Bonds. Pursuant to an ISDA Master Agreement and Schedule to ISDA Master Agreement, each dated as of January 27, 2005, between the Association and the Counterparty and the Confirmation, the Association has agreed to pay to the Counterparty a fixed rate of interest in an amount equal to 3.48% per annum multiplied by the notional amount that is equal to the principal amount of the Series 2005B Bonds until August 2033. In return, the Counterparty has agreed to pay to the Association a floating rate of interest in an amount equal to 67% of LIBOR multiplied by the notional amount that is equal to the principal amount of the Series 2005B Bonds until July 2035.

Fair Value - The Association will be exposed to variable rates if the Counterparty to a swap defaults or if a swap is terminated. A termination of the swap agreement may also result in the Association's making or receiving a termination payment.

As of June 30, 2022, the fair value of the interest rate swap agreements was $1.8 million, indicating the amount that the Association would be required to pay the Counterparty to terminate the swap agreements.

Swap Payments and Associated Debt - As rates vary, variable rate bond interest payments and net swap payments will vary. As of June 30, 2022, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (amounts in thousands):

	Variable Rate Bonds		Interest Rate	
	Principal	**Interest**	**Swaps, Net**	**Total**
Years ending:				
2023	$ 1,010	$ 586	$ 115	$ 1,711
2024	1,045	550	107	1,702
2025	1,080	512	100	1,692
2026	1,120	473	92	1,685
2027	1,160	433	85	1,678
2028-2032	6,430	1,508	295	8,233
2033-2036	6,005	322	63	6,390
Total	**$ 17,850**	**$ 4,384**	**$ 857**	**$ 23,091**

Credit Risk - As of June 30, 2022, the fair value of the swaps represents the Association's exposure to the Counterparty. Should the Counterparty fail to perform in accordance with the terms of the swap agreement and variable interest rates remain at the current level, the Association could see a possible gain equivalent to $0.86 million less the cumulative fair value of $1.8 million.

As of June 30, 2022 the Counterparty was rated as follows by Moody's and S&P:

	Moody's	S&P
Bank of America, N.A.	Aa2	A+

Basis Risk - The swaps expose the Association to basis risk. The interest rate on the Series 2005B Bonds is a tax-exempt interest rate, while the LIBOR basis on the variable rate receipt on the interest rate swap agreements is

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

taxable. Tax-exempt interest rates can change without a corresponding change in the 30-day LIBOR rate due to factors affecting the tax-exempt market that do not have a similar effect on the taxable market. The Association will be exposed to basis risk under the swaps to the extent that the interest rates on the tax-exempt bonds trade at greater than 67% of LIBOR for extended periods of time. The Association would also be exposed to tax risk stemming from changes in the marginal income tax rates or those caused by a reduction or elimination in the benefits of tax exemption for municipal bonds.

Termination Risk - The interest rate swap agreement uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Association or the Counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable rate bonds would no longer carry a synthetically fixed interest rate. Also, if at the time of termination, the swap has a negative fair value, then the Association would be liable to the Counterparty for a payment equal to the swap's fair value.

Component Units – FASB Organizations Interest Rate Swaps

The fair value balances and notional amounts of hedging derivative investments outstanding as reported in the fiscal year 2022 and 2021 financial statements for higher education foundations reported as component units reporting under FASB provisions are as follows (amounts in thousands):

	Change in Fair Value		Fair Value at 06/30/22		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - FASB					
Cash flow hedges:					
The University of Georgia Foundation	Investment Revenue	$ 734	Debt	$ (804)	$ 3,780
	Investment Revenue	1,133	Debt	(46)	9,735
				$ (850)	

	Change in Fair Value		Fair Value at 06/30/21		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - FASB					
Cash flow hedges:					
Georgia College & State University Foundation, Inc. and Subsidiaries	Investment Revenue	$ 1,161	Debt	$ —	$ 20,600
	Investment Revenue	5,554	Debt	—	69,820
The University of Georgia Foundation	Investment Revenue	514	Debt	(1,538)	3,926
	Investment Revenue	752	Debt	(1,180)	10,145
				$ (2,718)	

Georgia College & State University Foundation, Inc. and Subsidiaries (GCSUF)

GCSUF maintains an interest rate risk management strategy that uses interest rate swap derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest rate volatility. GCSUF's specific goal is to lower (where possible) the cost of its borrowed funds.

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

In connection with the 2007 Series bonds, GCSUF entered into an interest rate swap transaction to convert its variable-rate bond obligations to fixed rates. This swap is utilized to manage interest rate exposures over the period of the interest rate swap. The differential to be paid or received on all swap agreements is accrued as interest rates change and is recognized in interest expense over the life of the agreement. The swap agreements expire at various dates and have a fixed rate of 4.065%. The interest rate swap contains no credit-risk-related contingent features and is cross collateralized by certain assets of GCSUF.

As of June 7, 2021, the 2007 term bonds were fully defeased (see Note 13). Therefore, neither the assets limited as to use held by the Trustees nor the bonds payable and the related interest rate SWAP liability are included on the consolidated statement of financial position as of June 30, 2021.

On January 31, 2013, GCSUF modified the swap agreement to lower the interest rate from 4.715% to 4.065%. The present value of the interest savings over the life of the modified swap agreement is approximately $6.9 million. The lease agreement with the Board of Regents was not modified as a result of the swap modification; however, 40% of the present value of the interest savings will be paid to the University annually. As of June 30, 2020 the refinanced swap savings owed to the University was $1.8 million.

When the 2007 term bonds were fully defeased (see Note 13) on June 7, 2021, the University forgave in full the remaining SWAP savings owed to the University. The Foundation recognized $1.5 million of forgiveness of SWAP savings owed to University in the accompanying statement of activities for the year ending June 30, 2021.

The University of Georgia Foundation (UGAF)

The Foundation has an outstanding interest rate swap agreement effectively converting the interest rate exposure on the $6.2 million note payable from variable to a 5.95% fixed rate over the term of the note payable. During November 2017, the Foundation modified and extended the agreement which included a fixed rate fee payment of $0.3 million. As of June 30, 2022 and 2021, the total notional amount of the swap was $3.8 and $3.9 million, respectively. As of June 30, 2022 and 2021, the fair value of this interest rate swap was a liability of $0.8 and $1.5 million, respectively. The Foundation recorded a related unrealized gain of $0.7 million and $0.5 million for the years ended June 30, 2022 and 2021, respectively.

The Foundation has an outstanding interest rate swap agreement effectively converting the interest rate exposure on the $12.5 million note payable from variable to a 3.37% fixed rate over the term of the note payable. As of June 30, 2022 and 2021, the total notional amount of the swap was $9.7 and $10.1 million, respectively. As of June 30, 2022 and 2021, the fair value of this interest rate swap was a liability of $46.1 thousand and $1.2 million, respectively. The Foundation recorded a related unrealized gain of $1.1 and $0.8 million for the years ended June 30, 2022 and 2021, respectively.

Component Unit - FASB Organizations Derivative Investments

	Change in Fair Value		Fair Value at 06/30/22		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - FASB					
Georgia Tech Foundation, Inc.	Investment Revenue	$ 29,756	Investment	$ (22,423)	$ 106,032
	Investment Revenue	1,790	Investment	(1,298)	153,363
				$ (23,721)	

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

	Change in Fair Value		Fair Value at 06/30/21		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - FASB					
Georgia Tech Foundation, Inc.	Investment Revenue	$ 7,474	Investment	$ 7,333	$ 54,710
	Investment Revenue	4,036	Investment	492	119,988
				$ 7,825	

Amounts in the table are in thousands.

Georgia Tech Foundation, Inc.

The Foundation directly invests in derivatives associated with market risk. The purpose of these investment derivatives is to gain additional exposure to U.S. and foreign fixed income and equity markets.

Futures and forward contracts obligate the buyer to purchase an asset (and the seller to sell an asset), such as a physical commodity or financial instrument, at a premium price.

During 2022, the Foundation recognized net realized/unrealized gains and losses on direct positions in Equity Index Futures derivatives and U.S. Treasury Futures derivatives of $2.8 million and ($12.5) million, respectively. As of June 30, 2022, the Foundation held direct positions in derivatives as shown in the following table (amounts in thousands):

Investment	Fair Value at 06/30/22	Notional Exposure
Equity Index Futures	$ (22,423)	$ 106,032
U.S. Treasury Futures	(1,298)	153,363
Total	**$ (23,721)**	**$ 259,395**

NOTE 7 - RECEIVABLES

Receivables at June 30, 2022, consisted of the following (amounts in thousands):

	Taxes	Notes and Loans Primary Government Component Unit	Notes and Loans External	Leases from Primary Government Component Unit	Leases from External
Governmental Activities					
General Fund	$ 4,658,566	$ —	$ 10,880	$ —	$ —
Nonmajor Governmental Funds	—	—	19,954	—	—
Total - Governmental Funds	4,658,566	—	30,834	—	—
Government-wide adjustments:					
General Fund	—	—	—	—	928,456
Internal Service Funds	—	—	—	—	46,438
Total - Governmental Activities	**$ 4,658,566**	**$ —**	**$ 30,834**	**$ —**	**$ 974,894**
Business-type Activities					
Higher Education Fund	$ —	$ —	$ 25,265	$ 5,444	$ —
State Health Benefit Plan	—	—	—	—	—
Unemployment Compensation Fund	—	—	—	—	—
Georgia Higher Education Facilities Authority	—	—	—	—	—
State Road and Tollway Authority	—	—	—	—	—
Government-wide adjustments:					
Other	—	—	—	—	—
Total - Business-type Activities	**$ —**	**$ —**	**$ 25,265**	**$ 5,444**	**$ —**
Component Units					
Unrestricted:					
AU Health Systems, Inc.	$ —	$ 18,918	$ —	$ —	$ —
Georgia Environmental Finance Authority	—	—	1,599,252	—	—
World Congress Center Authority	953	—	—	—	60,010
Georgia Housing and Finance Authority	—	—	698,079	—	—
Georgia Lottery Corporation	—	—	—	—	7,076
Georgia Ports Authority	—	—	—	—	156,098
Georgia Tech Foundation, Incorporated	—	86,845	551	—	—
Nonmajor Component Units	1,317	2,071,192	395,099	114,506	154,154
Total - Unrestricted	2,270	2,176,955	2,692,981	114,506	377,338
Government-wide adjustments:					
Addition of Fiduciary Fund Receivable	—	—	—	—	—
Total Unrestricted Goverment-wide	2,270	2,176,955	2,692,981	114,506	377,338
Restricted:					
Georgia Geo. L. Smith II World Congress Center Authority	—	—	—	—	—
Georgia Housing and Finance Authority	—	—	1,205,691	—	—
Georgia Tech Foundation, Incorporated	—	—	—	—	—
Nonmajor Component Units	—	—	—	—	—
Total - Restricted	—	—	1,205,691	—	—
Total - Component Units (Government-wide)	**$ 2,270**	**$ 2,176,955**	**$ 3,898,672**	**$ 114,506**	**$ 377,338**

Other	Inter-governmental Receivables	Gross Receivables	Allowance for Uncollectibles	Total Receivables (Net)
$ 605,244	$ 3,373,405	$ 8,648,095	$ (1,991,659)	$ 6,656,436
497,371	558	517,883	—	517,883
1,102,615	3,373,963	9,165,978	(1,991,659)	7,174,319
1,141	—	929,597	—	929,597
126,322	522	173,282	(677)	172,605
$ 1,230,078	**$ 3,374,485**	**$ 10,268,857**	**$ (1,992,336)**	**$ 8,276,521**
$ 295,674	$ 223,708	$ 550,091	$ (52,531)	$ 497,560
55,251		55,251	(24,193)	31,058
353,468	220	353,688	(57,062)	296,626
308	—	308	—	308
1,144	—	1,144	—	1,144
61	—	61	—	61
$ 705,906	**$ 223,928**	**$ 960,543**	**$ (133,786)**	**$ 826,757**
$ 343,076	$ —	$ 361,994	$ (119,984)	$ 242,010
9,401	3,564	1,612,217	—	1,612,217
16,071	—	77,034	—	77,034
1,098	—	699,177	(4,736)	694,441
197,858	—	204,934	(1,794)	203,140
129,767	—	285,865	(6,174)	279,691
30,779	—	118,175	(1,329)	116,846
435,853	60,433	3,232,554	(54,816)	3,177,738
1,163,903	63,997	6,591,950	(188,833)	6,403,117
250	—	250	—	250
1,164,153	63,997	6,592,200	(188,833)	6,403,367
44,064	—	44,064	(3,378)	40,686
8,026	—	1,213,717	(4,500)	1,209,217
75,966	—	75,966	(1,601)	74,365
160,481	—	160,481	(3,696)	156,785
288,537	—	1,494,228	(13,175)	1,481,053
$ 1,452,690	**$ 63,997**	**$ 8,086,428**	**$ (202,008)**	**$ 7,884,420**

NOTE 8 - INTERFUND BALANCES AND TRANSFERS

A. Due To/From Other Funds

Due To/From Other Funds at June 30, 2022, consist of the following (amounts in thousands):

	Due From Other Funds							
	General Fund	**Nonmajor Governmental Fund**	**Higher Education Funds**	**State Health Benefit Plan**	**Nonmajor Enterprise Funds**	**Internal Service Funds**	**Fiduciary Funds**	**Total Due To Other Funds**
Due To Other Funds								
General Fund	$ —	$ 1,010	$ —	$ 113,150	$ —	$ 590,630	$ —	$ 704,790
General Obligation Bond Projects Fund	—	—	25,930	—	—	—	—	25,930
Nonmajor Governmental Funds	10,917	—	—	—	—	—	—	10,917
Higher Education Fund	—	—	—	—	—	255,177	—	255,177
State Health Benefit Plan	—	—	—	—	—	—	38,380	38,380
Nonmajor Enterprise Funds	—	270	—	—	—	—	—	270
Internal Service Funds	—	—	—	—	—	13	—	13
Fiduciary Funds	—	—	—	—	61	2	412	475
Total Due From Other Funds	**$ 10,917**	**$ 1,280**	**$ 25,930**	**$ 113,150**	**$ 61**	**$ 845,822**	**$ 38,792**	**$ 1,035,952**

Interfund receivables and payables result from billings for goods/services provided between funds.

NOTE 8 - INTERFUND BALANCES AND TRANSFERS (continued)

B. Interfund Transfers

Interfund transfers at June 30, 2022, consist of the following (amounts in thousands):

	Transfers In								
	Governmental Funds			Proprietary Funds					
	General Fund	General Obligation Bond Projects Fund	Nonmajor Governmental Funds	Higher Education Fund	State Health Benefits Plan	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Transfers Out
Transfers Out:									
General Fund	$ —	$ 35,872	$ 1,720,585	$3,157,798	$ 229,995	$ 25,335	$646,911	$ 2,811	$5,819,307
General Obligation Bond Projects Fund	16,050	—	145,880	—	—	—	—	—	161,930
Nonmajor Governmental Funds	54,977	—	—	—	—	—	—	—	54,977
Higher Education Fund	4,113	—	—	—	—	—	—	—	4,113
Unemployment Compensation Fund	8,384	—	—	—	—	—	—	—	8,384
Nonmajor Enterprise Funds	25,335	—	—	—	—	—	—	—	25,335
Fiduciary Funds	—	—	—	—	—	—	5,592	—	5,592
Total Transfers In	**$108,859**	**$ 35,872**	**$ 1,866,465**	**$3,157,798**	**$ 229,995**	**$ 25,335**	**$652,503**	**$ 2,811**	**$6,079,638**

Transfers are used to move revenues from the fund that statutes require to collect them to the fund that statutes require to expend them and to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 - CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS

A. Primary Government

Capital Asset activity for the fiscal year-ended June 30, 2022, was as follows (amounts in thousands):

	Balance 7/1/2021 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2022
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 4,881,106	$ 229,924	$ (7,568)	$ 5,103,462
Works of Art and Collections	1,400	21	—	1,421
Intangibles - Other Than Software	133,226	4,351	—	137,577
Construction in Progress	4,307,885	2,772,701	(2,547,165)	4,533,421
Total Capital Assets, Not Being Depreciated	9,323,617	3,006,997	(2,554,733)	9,775,881
Capital Assets Being Depreciated:				
Infrastructure	35,167,308	1,193,052	(73)	36,360,287
Buildings and Building Improvements	4,388,440	185,207	(57,119)	4,516,528
Improvements Other Than Buildings	198,337	11,435	(71)	209,701
Intangibles - Other than Software	1,758	164	—	1,922
Machinery and Equipment	1,445,153	86,297	(72,742)	1,458,708
Software	634,295	26,621	—	660,916
Total Capital Assets Being Depreciated	41,835,291	1,502,776	(130,005)	43,208,062
Less Accumulated Depreciation For:				
Infrastructure	21,472,075	874,695	—	22,346,770
Buildings and Building Improvements	2,185,820	104,561	(5,619)	2,284,762
Improvements Other Than Buildings	71,697	5,188	(48)	76,837
Intangibles - Other Than Software	1,557	125	—	1,682
Machinery and Equipment	982,238	98,461	(46,039)	1,034,660
Software	387,384	39,397	(86)	426,695
Total Accumulated Depreciation	25,100,771	1,122,427	(51,792)	26,171,406
Total Capital Assets, Being Depreciated, Net	16,734,520	380,349	(78,213)	17,036,656
Governmental Activities Capital Assets, Net	**$ 26,058,137**	**$ 3,387,346**	**$ (2,632,946)**	**$ 26,812,537**

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

	Balance 7/1/2021 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2022
Governmental Activities				
Capital Assets Not Being Amortized:				
Land	$ 182	$ —	$ —	$ 182
Total Capital Assets, Not Being amortized	182	—	—	182
Capital Assets Being Amortized:				
Infrastructure	3	—	—	3
Buildings and Building Improvements	653,719	41,374	—	695,093
Machinery and Equipment	170,409	137,284	—	307,693
Total Capital Assets Being Amortized	824,131	178,658	—	1,002,789
Less Accumulated Amortization For:				
Buildings and Building Improvements	(1,343)	94,128	—	92,785
Machinery and Equipment	—	46,073	—	46,073
Total Accumulated Amortization	(1,343)	140,201	—	138,858
Total Capital Assets, Being Amortized, Net	825,474	38,457	—	863,931
Governmental Activities Capital Assets, Net	**$ 825,656**	**$ 38,457**	**$ —**	**$ 864,113**

NOTE 9 - CAPITAL ASSETS (continued)

	Balance 7/1/2021 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2022
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 507,680	$ 5,904	$ (2)	$ 513,582
Works of Art and Collections	57,581	1,405	—	58,986
Construction in Progress	152,099	84,763	(8,018)	228,844
Total Capital Assets, Not Being Depreciated	717,360	92,072	(8,020)	801,412
Capital Assets Being Depreciated:				
Infrastructure	412,691	9,710	—	422,401
Buildings and Building Improvements	14,900,646	623,494	(348)	15,523,792
Improvements Other Than Buildings	455,760	22,621	(347)	478,034
Machinery and Equipment	2,328,758	127,336	(21,253)	2,434,841
Software	209,487	926	—	210,413
Library Collections	1,031,492	23,685	(1,158)	1,054,019
Works of Art and Collections	6,856	131	—	6,987
Total Capital Assets Being Depreciated	19,345,690	807,903	(23,106)	20,130,487
Less Accumulated Depreciation For:				
Infrastructure	178,640	15,991	1	194,632
Buildings and Building Improvements	5,472,855	363,573	(172)	5,836,256
Improvements Other Than Buildings	221,699	16,577	(321)	237,955
Machinery and Equipment	1,758,810	89,111	(6,476)	1,841,445
Software	99,227	18,600	—	117,827
Library Collections	864,249	26,969	(1,169)	890,049
Works of Art and Collections	2,152	165	—	2,317
Total Accumulated Depreciation	8,597,632	530,986	(8,137)	9,120,481
Total Capital Assets, Being Depreciated, Net	10,748,058	276,917	(14,969)	11,010,006
Business-type Activities, Capital Assets, Net	**$ 11,465,418**	**$ 368,989**	**$ (22,989)**	**$ 11,811,418**

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

	Balance 7/1/2021 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2022
Business-type Activities				
Capital Assets Being Amortized:				
Infrastructure	$ 231	—	—	$ 231
Buildings and Building Improvements	508,077	46,393	—	554,470
Improvements Other Than Buildings	9,078	98	—	9,176
Machinery and Equipment	11,256	3,629	—	14,885
Total Capital Assets Being Amortized:	528,642	50,120	—	578,762
Less Accumulated Amortization For:				
Infrastructure	—	26	—	26
Buildings and Building Improvements	—	58,433	—	58,433
Improvements Other Than Buildings	—	1,136	—	1,136
Machinery and Equipment	—	5,087	—	5,087
Total Accumulated Amortization	—	64,682	—	64,682
Total Capital Assets, Being Amortized, Net	528,642	(14,562)	—	514,080
Business-type Activities, Capital Assets, Net	**$ 528,642**	**$ (14,562)**	**$ —**	**$ 514,080**

NOTE 9 - CAPITAL ASSETS (continued)

Current period depreciation/amortization expense was charged to functions of the primary government as follows (amounts in thousands):

Governmental Activities		
General Government	$	83,738
Education		6,912
Health and Welfare		58,114
Transportation		919,120
Public Safety		82,496
Economic Development		27,170
Culture and Recreation		22,741
Conservation		7,843
Internal Service Funds		
(Depreciation on capital assets held by the State's internal service funds are charged to the various functions based on their usage of assets)		54,494
Depreciation/Amortization Expense - Governmental Activities	**$**	**1,262,628**

NOTE 9 - CAPITAL ASSETS (continued)

B. Component Units

Capital Asset activity for the fiscal year-ended June 30, 2022, was as follows (amounts in thousands):

	Balance July 1, 2021 (Restated - Note 3)	Increases	Decreases	Balance June 30, 2022
Component Units				
Capital Assets Not Being Depreciated:				
Land	$ 456,285	$ 4,151	$ (2,242)	$ 458,194
Works of Art and Collections	1,670	—	—	1,670
Construction in Progress	413,225	476,953	(209,365)	680,813
Total Capital Assets, Not Being Depreciated	871,180	481,104	(211,607)	1,140,677
Capital Assets Being Depreciated:				
Infrastructure	410,527	40,094	(11,312)	439,309
Buildings and Building Improvements	2,918,261	97,423	(4,120)	3,011,564
Improvements Other Than Buildings	980,747	41,368	(410)	1,021,705
Machinery and Equipment	1,296,130	76,387	(15,863)	1,356,654
Patents, Trademarks, and Copyrights	160	—	—	160
Software	101,524	5,382	—	106,906
Library Collections	4,872	85	(5)	4,952
Works of Art and Collections	71	—	—	71
Total Capital Assets Being Depreciated	5,712,292	260,739	(31,710)	5,941,321
Less Accumulated Depreciation For:				
Infrastructure	203,000	16,680	(10,812)	208,868
Buildings and Building Improvements	872,054	127,001	(2,088)	996,967
Improvements Other Than Buildings	475,240	42,018	(315)	516,943
Machinery and Equipment	748,366	80,055	(15,514)	812,907
Software	86,931	5,239	—	92,170
Library Collections	3,818	219	(5)	4,032
Works of Art and Collections	27	2	—	29
Total Accumulated Depreciation	2,389,436	271,214	(28,734)	2,631,916
Total Capital Assets, Being Depreciated, Net	3,322,856	(10,475)	(2,976)	3,309,405
Component Units Capital Assets, Net*	**$ 4,194,036**	**$ 470,629**	**$ (214,583)**	**$ 4,450,082**

*Certain higher education foundations and other similar organizations utilize FASB standards.

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

	Balance July 1, 2021 (Restated - Note 3)	Increases	Decreases	Balance June 30, 2022
Component Units				
Capital Assets Not Being Amortized:				
Land	$ 533	$ —	$ —	$ 533
Total Capital Assets, Not Being Amortized	533	—	—	533
Capital Assets Being Amortized:				
Buildings and Building Improvements	230,172	12,976	—	243,148
Machinery and Equipment	37,343	10,414	—	47,757
Total Capital Assets Being Amortized	267,515	23,390	—	290,905
Less Accumulated Amortization:				
Buildings and Building Improvements	—	24,481	—	24,481
Machinery and Equipment	124	19,329	—	19,453
Total Accumulated Amortization	124	43,810	—	43,934
Total Capital Assets, Being Depreciated, Net	267,391	(20,420)	—	246,971
Component Units Capital Assets, Net*	**$ 267,924**	**$ (20,420)**	**$ —**	**$ 247,504**

NOTE 9 - CAPITAL ASSETS (continued)

As of June 30, 2022, the capital assets balances of FASB organizations are as follows (amounts in thousands):

Capital Assets Not Being Depreciated:		
Land	$	147,331
Works of Art and Collections		8,197
Construction in Progress		37,145
Total Capital Assets, Not Being Depreciated		192,673
Capital Assets Being Depreciated		
Infrastructure		5,768
Buildings and Building Improvements		306,273
Improvements Other Than Buildings		15,737
Machinery and Equipment		34,055
Software		3,357
Total Capital Assets Being Depreciated		365,190
Less: Accumulated Depreciation		(153,747)
Total Capital Assets, Being Depreciated, Net		211,443
Capital Assets, Net (FASB presentation)		404,116
Total Capital Assets, Net - All Component Units	**$**	**4,854,198**

NOTE 9 - CAPITAL ASSETS (continued)

Intangible Right-To-Use Assets (amounts in thousands):

Capital Assets Not Being Amortized:		
Land	$	1,479
Total Capital Assets, Not Being Amortized		1,479
Capital Assets Being Amortized		
Infrastructure		—
Buildings and Building Improvements		108,901
Improvements Other Than Buildings		11,628
Machinery and Equipment		—
Software		—
Total Capital Assets Being Amortized		120,529
Less: Accumulated Amortization		(35,841)
Total Capital Assets, Being Amortized, Net		84,688
Capital Assets, Net (FASB presentation)		86,167
Total Capital Assets, Net - All Component Units	**$**	**333,671**

NOTE 10 - LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Primary Government

Changes in long-term liabilities for the fiscal year ended June 30, 2022, are as follows (amounts in thousands):

	Balance 7/1/2021 (Restated - Note 3)	Additions	Reductions	Balance 6/30/2022	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	$ 9,628,150	$ 1,096,630	$ (930,615)	$ 9,794,165	$ 863,640
Revenue Bonds Payable	63,460	—	(21,545)	41,915	22,650
GARVEE Bonds Payable	488,675	—	(36,020)	452,655	37,810
Net Unamortized Premiums:					
General Obligation Bonds	1,068,418	187,541	(102,461)	1,153,498	—
Revenue Bonds	2,725	—	(1,416)	1,309	—
GARVEE Bonds	115,371	—	(18,112)	97,259	—
Total Bonds Payable	11,366,799	1,284,171	(1,110,169)	11,540,801	924,100
Notes and Loans Payable - Direct Borrowings	52,299	—	(4,983)	47,316	3,427
Notes and Loans Payable - Other	3,000	—	(3,000)	—	—
Lease Obligations	826,298	180,109	(111,592)	894,815	105,576
Compensated Absences Payable	369,212	222,678	(182,908)	408,982	172,047
Total Governmental Activities	**$ 12,617,608**	**$ 1,686,958**	**$ (1,412,652)**	**$ 12,891,914**	**$ 1,205,150**
Business-type Activities					
Revenue Bonds Payable	$ 216,084	$ 367,380	$ (45,634)	$ 537,830	$ 6,465
Net Unamortized Premiums:					
Revenue Bonds	16,253	60,153	(4,205)	72,201	—
Total Bonds Payable	232,337	427,533	(49,839)	610,031	6,465
Notes and Loans Payable	2,850,087	144,960	(537,111)	2,457,936	115,962
Lease Obligations	528,543	51,098	(64,377)	515,264	64,747
Compensated Absences Payable	312,193	231,223	(223,799)	319,617	181,418
Total Business-type Activities	**$ 3,923,160**	**$ 854,814**	**$ (875,126)**	**$ 3,902,848**	**$ 368,592**

Other long-term liabilities of Governmental Activities, such as pension, other post-employment benefits (OPEB) and compensated absences, are typically liquidated by the general fund.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above total for governmental activities. The following long-term liabilities of internal service funds were included in the above balance as of June 30, 2022: leases of $173.6 million and compensated absences of $4.9 million. Of these amounts, $32.7 million and $2.0 million, respectively, are due within one year. In general, the capital leases and compensated absences of the governmental activities are liquidated by the general fund.

NOTE 10 - LONG-TERM LIABILITIES (continued)

Component Units

Changes in long-term liabilities for the fiscal year ended June 30, 2022, are as follows (amounts in thousands):

	Balance 7/1/2021 (Restated - Note 3)	Additions	Reductions	Balance 6/30/2022	Amounts Due Within One Year
Component Units					
Revenue Bonds Payable	$ 3,330,581	$ 634,190	$ (310,133)	$ 3,654,638	$ 111,422
Mortgage Bonds Payable	1,529,280	213,205	(291,235)	1,451,250	43,480
Net Unamortized Premiums/(Discounts):					
Revenue Bonds	223,209	80,815	(38,348)	265,676	—
Mortgage Bonds	9,606	1,064	—	10,670	—
Total Bonds Payable	5,092,676	929,274	(639,716)	5,382,234	154,902
Notes and Loans Payable	287,812	145,949	(84,699)	349,062	68,125
Net Unamortized Discounts	(1,589)	195	—	(1,394)	—
Lease Obligations	213,985	180,958	(88,677)	306,266	44,286
Compensated Absences Payable	42,331	14,001	(13,309)	43,023	33,604
Grand Prizes Payable	174,401	20,780	(19,131)	176,050	22,055
Derivative Instruments Payable	27,037	—	(14,083)	12,954	—
Other Liabilities	30,371	11,207	(8,471)	33,107	7,387
Total Component Units	**$ 5,867,024**	**$ 1,302,364**	**$ (868,086)**	**$ 6,301,302**	**$ 330,359**

B. Bonds and Notes Payable

At June 30, 2022, bonds and notes payable currently outstanding are as follows (amounts in thousands):

	Interest Rates	Maturing Through Year	Original Issue Amount	Outstanding Amount
Governmental Activities				
General Obligation Bonds				
General Government	0.26% - 5.11%	2041	$ 11,505,910	$ 8,253,030
General Government - Refunding	1.50% - 5.00%	2039	3,192,385	1,541,135
Revenue Bonds				
Transportation Projects	5.00%	2024	204,035	41,916
GARVEE Bonds	4.00% - 5.00%	2032	548,010	452,655
Notes and Loans Payable	2.57% - 4.83%	2034	63,276	47,315
Business-type Activities				
Revenue Bonds				
Georgia Higher Education Facilities Authority	2.00% - 5.00%	2041	191,605	170,450
Transportation Projects	1.70% - 4.00%	2052	367,380	367,380
Notes and Loans Payable	0.00% - 6.03%	2052	3,214,151	2,457,936

NOTE 10 - LONG-TERM LIABILITIES (continued)

	Interest Rates	Maturing Through Year	Original Issue Amount	Outstanding Amount
Component Units				
Revenue Bonds				
Higher Education Foundations	0.68% - 5.75%	2053	$ 2,918,935	$ 2,266,995
A U Health Systems, Inc.	1.75% - 5.00%	2040	203,520	197,180
Georgia Tech Foundation	1.76% - 6.66%	2052	475,685	319,665
Geo. L. Smith, II Georgia World Congress Center Authority	2.38% - 5:00%	2054	439,595	439,595
Georgia Ports Authority	4.00% - 5:00%	2052	427,040	427,040
Other Revenue Bonds	5.28%	2028	10,000	4,163
Mortgage Bonds				
Georgia Housing and Financing Authority	0.15% - 5.00%	2052	2,265,600	1,451,250
Notes and Loans Payable				
Higher Education Foundations	0.00% - 5.95%	2042	354,938	223,369
Georgia Tech Foundation	2.96% - 5.04%	2029	91,152	72,167
Geo. L. Smith, II Georgia World Congress Center Authority	4.50%	2045	46,158	44,238
Other Notes and Loans Payable	1.57%	2027	20,101	9,288

C. General Obligation Bonds

Primary Government

The State issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. On July 1, 2021, the State issued general obligation bonds, (Series 2021A and 2021B), totaling $1.1 billion to provide funds for various capital outlay projects of the State, for county and independent school systems through the Department of Education, for county and local libraries through the Board of Regents, and to provide loans through the Georgia Environmental Finance Authority (GEFA) to local governments and local government entities for water and sewerage facilities. General obligation bonds are direct obligations of the State to which the full faith and credit of the State are pledged.

Bonds Authorized but Unissued

Authorized but unissued general obligation bonds as of June 30, 2022, are as follows (amounts in thousands):

Purpose	Authorized Unissued Debt
K-12 Education	$ 170,910
Soil and Water	1,000
Total	**$ 171,910**

NOTE 10 - LONG-TERM LIABILITIES (continued)

Defeasance and Refunding of General Obligation Bonds

During fiscal year 2022 the State did not issue any refunding bonds. Original issue premium proceeds totaling $143.5 million from the issuance of the Series 2021A general obligation bonds defeased a total of $141.8 million from four different series of general obligation bonds with interest rates ranging from 4.00% to 5.00%.

As of June 30, 2022, the State had no outstanding advance refunded bonds.

Early Retirement of Debt

From funds received from the sale of state property and from interest earnings available for the advance retirement of debt, the State made purchases of various series of State of Georgia General Obligation Bonds in the secondary market with a par value of $2.1 million. The early retirements of the bonds will save the State $2.8 million in future principal and interest appropriations. Since July 1, 2000 the early retirement program has saved the State over $1.1 billion in future principal and interest appropriations.

D. Revenue Bonds

Governmental Activities

State Road and Tollway Authority (SRTA) has issued Guaranteed Revenue Bonds for the purpose of financing certain road and bridge projects in the State. The guaranteed revenue bonds are secured by a joint resolution between the Georgia Department of Transportation (GDOT) (General Fund) and SRTA (Nonmajor Governmental Fund) whereby GDOT has pledged to provide sufficient motor fuel tax funds to pay the principal and interest of the revenue bonds. According to the State Constitution, motor fuel tax funds are imposed and appropriated for all activities incident to maintaining an adequate system of roads and bridges in the State. In fiscal year 2022, the State collected $1.6 billion of motor fuel tax funds, which exceeds the principal and interest due on the revenue bonds of $24.2 million for the same fiscal year. Further, the State has guaranteed the full payment of the bonds and the interest. The outstanding principal amount for fiscal year 2022 is $41.9 million.

SRTA has issued Federal Highway Grant Anticipation Revenue Bonds and Federal Highway Reimbursement Revenue Bonds (GARVEE) of $548.0 million. The bond proceeds will be used for the purpose of providing funds for approved public transportation projects. All GARVEE bonds are pledged and payable solely from grant and reimbursement revenues received from the Federal Highway Administration. These bonds do not constitute a pledge of the faith and credit of SRTA or the State. The outstanding principal amount as of June 30, 2022 is $452.7 million.

Business-type Activities

On July 1, 2021 SRTA issued Managed Lane System State of Georgia Guaranteed Revenue bonds series 2021A and 2021B in the amounts of $330.1 million and $37.2 million. The bonds were issued for the purposes of 1) to repay in-full the remaining debt on the TIFIA loan related to the I-75 Northwest Corridor Express Lanes project; 2) defeasance of outstanding I-75 South Toll Revenue Bonds; 3) pay the costs of certain tolling infrastructure related to the existing managed lane system; 4) pay the costs of certain tolling infrastructure related to certain future tolling facilities planned in the State's Major Mobility Investment Program; 5) to fund capitalized interest on the 2021A Bonds; and 6) to pay a portion of the costs of issuance of the bonds. The Series 2021A bonds mature on July 15, 2051 and the Series 2021B bonds mature on July 15, 2034. While these bonds are secured by the net toll revenue derived from the operation of the Managed Lane System, the State of Georgia has guaranteed the full payment of

NOTE 10 - LONG-TERM LIABILITIES (continued)

the bonds and the interest thereon in accordance with the Constitution of the State of Georgia and has reserved $25.4 million in the State of Georgia Guaranteed Revenue Debt Common Reserve Fund that is on deposit at OST. As of June 30, 2022, the outstanding principal balance for both was $367.4 million.

The Series 2021B Guaranteed Revenue Bond issue of $37.2 million less discounts and underwriters and bond issue costs provided net proceeds of $36.9 million. The total net proceeds plus additional funds on hand were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2014A and 2014B outstanding Toll Revenue Bonds for the I-75 South Metro Express Lanes project. As a result, the entirety of the I-75 South Toll Revenue Bonds are considered defeased, and the liability for these bonds has been removed from the Statement of Net Position. SRTA refunded the aforementioned bonds to reduce its total debt service payments over twenty-seven years beginning in fiscal year 2022 by $25.8 million and to obtain an economic gain (difference between the present values of total debt service payments and the old and new debt) of $17.0 million.

Georgia Higher Education Facilities Authority (GHEFA) has issued revenue bonds for the purpose of acquiring, constructing and equipping several projects on college campuses throughout the State. The bonds are secured solely by the related security deed and related assignment of contract documents. As of June 30, 2022, the outstanding principal for these revenue bonds is $170.5 million.

Component Units

Higher Education Foundations have issued various revenue bonds to finance the costs of acquiring, renovating, constructing and equipping various facilities located on the campuses of the University System of Georgia. The bond issues have interest rates ranging from 0.68% to 5.75% with maturity dates through fiscal year 2053. As of June 30, 2022, the outstanding principal for these revenue bonds was $2.3 billion. These bonds are secured by lease arrangements for these various facilities with the Board of Regents.

In March 2021, the Geo. L. Smith II Georgia World Congress Center Authority (GWCC) issued revenue bonds in the amounts of $439.6 million. The proceeds of the bonds, together with the original issue premiums and other amounts contributed by GWCC, will be used to finance the construction of a convention center hotel, provide funds to make the interest payments on the bonds until the hotel opening, and to pay the costs of issuing the bonds. The bonds are special limited obligations of GWCC payable solely from and secured by a pledge of and lien on all operating revenues derived by GWCC from the operation of the convention center hotel, remaining after the payment of expenses to operate the convention center hotel. These revenues are pledged to secure the bonds until such time that all outstanding principal has been satisfied on the bonds. The bonds bear interest at rates ranging from 2.38% to 5.00% and interest is due semiannually beginning on July 1, 2021, until maturity on January 1, 2054. As of June 30, 2022 the outstanding principal was $439.6 million.

Georgia Tech Foundation, Inc. has issued various revenue bonds to finance the costs of acquiring, renovating, constructing and equipping various facilities located on the campus of The Georgia Institute of Technology. The bond issues have interest rates ranging from 1.76% to 6.66% with maturity dates through fiscal year 2052. As of June 30, 2022, the outstanding principal for these revenue bonds was $319.7 million. These bonds are secured by lease arrangements for these various facilities with the Board of Regents.

AU Health Systems, Inc. (AUHS) has issued various revenue bonds to finance the costs of acquiring, renovating, constructing and equipping various facilities located on the campus of AUHS. The bond issues have interest rates ranging from 1.75% to 5.00% with maturity dates through fiscal year 2040. As of June 30, 2022, the outstanding principal for these revenue bonds was $197.2 million. These bonds are secured by gross revenues of AUHS.

NOTE 10 - LONG-TERM LIABILITIES (continued)

In July 2021, Georgia Ports Authority issued the Series 2021 revenue bonds in the amount of $427.0 million. The proceeds of which are to be used to finance various capital improvement projects and to pay the costs of issuance of the Series 2021 bonds. The interest rate on the bonds is 4.00% to 5.00% with a maturity in 2052. As of June 30, 2022 the outstanding principal was $427.0 million. These bonds are secured by Georgia Ports Authority operating revenues.

Other component units had revenue bonds payable outstanding at June 30, 2022, of $4.2 million as detailed below (amounts in thousands):

	Amount
Lake Lanier Island Devel. Auth	$ 4,163

E. Mortgage Bonds

Component Units

Mortgage bonds outstanding of $1.5 billion at June 30, 2022, were issued by the Georgia Housing and Finance Authority for financing the purchase of single-family mortgage loans for eligible persons and families of low and moderate income within the State. The bonds are secured by certain assets, which include mortgage loans purchased and certain cash and cash equivalents and investment securities in mortgage bond accounts, and any interest earned thereon.

F. Notes and Loans Payable

Governmental Activities

Notes and loans payable for direct borrowings in governmental activities as of June 30, 2022, were $47.3 million.

Energy Performance Contracts for the Department of Economic Development, the Department of Corrections and the Department of Natural Resources, attributed $24.0 million, $20.0 million, and $3.3 million, respectively. These contracts contain provisions related to events of default. Significant to these provisions, an event of default occurs when: (a) the Primary Government fails to pay any payment of purchase price or other payment required to be paid when due, (b) the Primary Government has a breach in any material respect of the contract or failure of the Primary Government to observe or perform contract covenants for a period of 30 days after written notice, or (c) initiation by or against the Primary Government of a proceeding under any federal or state bankruptcy or insolvency seeking relief under such laws. Upon the occurrence of any event of default, the seller shall have the right to proceed by court action to enforce performance by the Primary Government of the applicable contract covenants or to recover for the the breach. The Primary Government would be responsible for attorney fees and expenses incurred by seller.

NOTE 10 - LONG-TERM LIABILITIES (continued)

Business-type Activities

Notes and loans payable for business-type activities as of June 30, 2022, were as follows (amounts in thousands):

	Amount
University System of Georgia - Financing Lease Agreements	$ 2,450,830
University System of Georgia - Energy Performance Contracts	7,106
Total	**$ 2,457,936**

Financing Lease Agreements

The University System of Georgia is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the assets transfer ownership at the end of the agreement. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University System of Georgia. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University System of Georgia's outstanding principal related to financing lease agreements for fiscal year 2022 was $2.5 million. Interest rates for these notes payable range from 0.00% to 6.03%. The discretely presented foundations have the corresponding receivable for these amounts, which are presented as Notes and Loans Receivables – Primary Government in *Note 7 – Receivables*.

Component Units

Notes and loans payable for component units as of June 30, 2022, were as follows (amounts in thousands):

	Amount
Higher Education Foundations	$ 223,369
Georgia Tech Foundation, Inc.	72,167
Geo. L. Smith II World Congress Center Authority	44,238
Lake Lanier Islands Development Authority	7,254
Pioneer RESA	1,686
Griffin RESA	348
Total	**$ 349,062**

Higher Education Foundations Notes and Loans

The Georgia Tech Athletic Association has an unsecured revolving line of credit in the amount of $12.0 million with a regional bank. The line of credit is due on demand, but if no demand for payment is made, the line matures on January 31, 2025. Accrued interest is due on the 1st day of each month. The interest rate on the line of credit is

NOTE 10 - LONG-TERM LIABILITIES (continued)

equal to the sum of the daily BSBY rate plus 45 basis points, or 2.06% for 2022. There was a $11.0 million balance outstanding on the line of credit at June 30, 2022.

As of June 30, 2022 Georgia Tech Athletic Association has an unsecured note payable with interest payable quarterly at a fixed rate of 1.55% and a note payable with equipment as collateral with a fixed rate of 1.98%. The outstanding balance as of June 30, 2022 was $10.4 million.

During the year ended June 30, 2013, the Medical College of Georgia Foundation, Inc. entered into a non-revolving secured draw loan not to exceed $3.0 million with a financial institution to provide financing to obtain land located around Augusta University. The note was modified on May 27, 2020 to lower the interest rate to 3.50% and raise the maximum draw amount to $12.0 million. The note is collateralized by various real property owned by Resurgens Properties, LLC funded by the draw note. In December 2021, the Medical College of Georgia Foundation, Inc. modified the aforementioned note which extended the maturity date to December 28, 2023 and lowered the interest rate to 3.25%. The outstanding balance at June 30, 2022 was $11.3 million.

In October 2021, the Medical College of Georgia Foundation, Inc. entered into a commercial note agreement for $5.0 million (the “Bridge Loan”) with a financial institution to provide financing for the HUB project. The Bridge Loan is collateralized by a $5.0 million deposit account and bears an interest rate equal to the index plus 0.60% per annum. The Bridge Loan matures on October 12, 2024. At June 30, 2022, the interest rate was 1.37% and the outstanding note balance was $5.0 million.

During 2007, the University of Georgia Foundation signed a 10 year $ 6.2 million promissory loan agreement with a bank. During November 2017, the University of Georgia Foundation amended the agreement and made a one-time principal payment of 0.8 million, extending the maturity date of the remaining outstanding balance to November 1, 2032. Interest is charged at the bank's 30-day London InterBank Offered Rate (LIBOR) plus 32.5 basis points; such rate was 1.39% at June 30, 2022. Principal and interest are payable monthly. The outstanding balance at June 30, 2022 was $3.8 million.

During October 2014, the University of Georgia Foundation entered into a series of transactions, as follows: (1) The University of Georgia Foundation entered into a tax-exempt financing project with the Washington D.C. District Council for $12.5 million involving tax-exempt bonds, which expire on November 1, 2039 and accrue interest at a per annum rate equal to 75.00% of the sum of one-month LIBOR plus 1.60% payable monthly; (2) The University of Georgia Foundation entered into a loan agreement with a bank in which the University of Georgia Foundation fully repaid its obligation under the newly acquired tax-exempt bonds in exchange for a promissory loan relating to the same principal. The promissory loan agreement expires on November 1, 2039 and includes certain debt covenants and restrictions. Interest on the promissory loan agreement is charged at 75.00% of the sum of one-month LIBOR plus 1.60%; such rate was 2.00% at June 30, 2022. Principal and interest on the promissory loan agreement are payable quarterly. The outstanding balance at June 30, 2022 was $9.6 million.

In November 2018, the Real Estate Foundation, a blended component unit with the University of Georgia Research Foundation, Inc., entered into a $25.0 million revolving credit agreement with a bank, for a five-year term to expire on November 30, 2023. Borrowings under the revolving credit agreement bear interest at the bank’s 30-day London Interbank Offered Rate plus 0.48%. At June 30, 2022, the rate applicable to the borrowings was 1.54%. The outstanding balance at June 30, 2022 was $17.0 million.

In September 2018, the University System of Georgia Foundation, Inc. and Affiliates refinanced a Bond Anticipation Note (BAN) with five individual, 19-year low-interest fixed rate notes payable with the USDA. The real estate on which the facilities are constructed will be leased to University System of Georgia Real Estate

NOTE 10 - LONG-TERM LIABILITIES (continued)

Foundation IV, LLC by the Board of Regents pursuant to a ground lease for minimal rent. The USDA notes payable will all mature on September 20, 2037, with a fixed interest rate of 2.75%, and are payable annually. The outstanding balance at June 30, 2022 was $35.4 million.

In November 2019, the University System of Georgia Foundation, Inc. and Affiliates refinanced a BAN with four individual, 22 year low-interest fixed rate notes payable with the USDA. The real estate on which the facilities are constructed will be leased to University System of Georgia Real Estate Foundation V, LLC by the Board of Regents pursuant to a ground lease for minimal rent. The USDA notes payable will all mature on November 18, 2041, with a fixed interest rate of 3.00%, and are payable annually. The outstanding balance at June 30, 2022 was $33.2 million.

In 2022 the Georgia State University Foundation, Inc. entered into a promissory note payable with a financial institution for $22.1 million in relation to a building acquisition to be held for future sale. The note payable matures on June 30, 2023 and bears and interest rate equal to Term SOFR plus 2.25%. The outstanding balance as of June 30, 2022 was $22.1 million.

The Georgia State University Foundation, Inc. also entered into a promissory note payable for $10.0 million dollars to fund the initial capital contribution for the building investment. The note payable is a non-interest bearing note and matures on July 1, 2023. The outstanding balance at June 30, 2022 was $10.0 million.

The Georgia Advanced Technology Ventures, Inc. and Subsidiaries have an unsecured notes payable maturing in December 2034 with an interest rate of 6.03%. The outstanding balance as of June 30, 2022 was $1.2 million.

The Georgia Advanced Technology Ventures, Inc. and Subsidiaries has an agreement to purchase multiple floors of the Centergy One Building on Fifth Street in Atlanta. The agreement ends at different dates by floor, three floors end in August 2033 and two floors in December 2034. The interest rate for all floors is 4.90%. The outstanding balance as of June 30, 2022 was $46.5 million.

In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2022, an additional $6.9 million in notes were held by various higher education foundations.

Other Component Units Notes and Loans

The Georgia Tech Foundation, Inc. has guaranteed line of credit in the name of the Georgia Tech Foundation Funding Corporation (GTFFC) totaling $26.0 million. The Georgia Tech Foundation, Inc has two lines of credit in the name of the Foundation collectively totaling to $50.0 million. Interest is calculated using the LIBOR or SOFR rate. This resulted in an average effective interest rate of 0.89% at June 30, 2022. As of June 30, 2022, the outstanding balance on the note was $12.8 million.

In October 2016, the Georgia Tech Foundation, Inc. entered into a loan assumption and substitution agreement with the previous borrower and assumed a $35.7 million note payable from a third party lender under terms of the existing loan agreement. The effective rate of interest at June 30, 2022 was 5.04%. As of June 30, 2022, the outstanding balance on the note was $32.3 million.

In May 2017, the Georgia Tech Foundation, Inc. entered into a loan agreement with a bank, borrowing $13.0 million. The effective interest rate at June 30, 2022 was 4.75%. The loan had an original maturity date of June 1, 2024; however, as of June 30, 2022, the loan was repaid in full.

NOTE 10 - LONG-TERM LIABILITIES (continued)

In September 2018, the Georgia Tech Foundation, Inc. entered into a loan agreement with a bank, borrowing $25.1 million initially and may borrow an additional $4.1 million increasing the loan to $29.2 million. The loan was refinanced in 2022 with a new effective interest rate of 3.00% as of June 30, 2022 and a maturity in August 2028. As of June 30, 2022, the outstanding balance on the loan was $27.0 million.

On May 15, 2020, the Georgia Geo. L. Smith World Congress Center Authority entered into a non-recourse note purchase agreement with Northwestern Mutual. Under this agreement, the Georgia Geo. L. Smith World Congress Center Authority received $46.2 million in cash and will pay interest at a rate of 4.50% due semi-annually through fiscal year 2045. The liability is a direct borrowing and the Mercedes Benz Stadium license agreement payments were used as collateral. The outstanding balance as of June 30, 2022 was $44.2 million.

In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2022, an additional $9.3 million in notes were held by other component units of the State.

G. Interest Rate Swaps

As a means of interest rate management, various higher education foundations have entered into interest rate swap agreements. For further details on these agreements, please refer to *Note 6 - Derivative Instruments.*

H. Pollution Remediation

Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations.

Governmental Activities

Department of Natural Resources

Department of Natural Resources has recorded liabilities totaling $84.7 million at June 30, 2022 for pollution remediation primarily related to sites included in the hazardous site inventory, Superfund sites where only operations and maintenance remains, and site containing underground storage tanks that are enrolled for remediation coverage in the Georgia Underground Storage Tank Program. The liabilities were determined by previous experience. Pollution remediation liability activity in fiscal year 2022 was as follows (amounts in thousands):

7/1/2021	Additions	Reductions	6/30/2022	Amounts Due Within One Year
$ 77,284	$ 26,386	$ 18,997	$ 84,673	$ —

I. Lease Obligations

For information on lease obligations see *Note 11 - Leases.*

NOTE 10 - LONG-TERM LIABILITIES (continued)

J. Debt Service Requirements

Annual debt service requirements to maturity for general obligation bonds, revenue bonds, GARVEE bonds, mortgage bonds, and notes and loans payable are as follows (amounts in thousands):

Primary Government

	Governmental Activities							
	General Obligation Bonds		Revenue Bonds		GARVEE Bonds		Notes and Loans Payable - Direct Borrowings	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 863,640	$ 382,314	$ 22,650	$ 1,530	$ 37,810	$ 22,622	$ 3,427	$ 1,802
2024	850,545	345,740	19,265	482	39,715	20,731	3,571	1,674
2025	809,940	310,850	—	—	41,685	18,757	3,763	1,539
2026	754,560	276,677	—	—	43,770	16,672	3,876	1,398
2027	717,920	245,634	—	—	45,955	14,484	4,063	1,250
2028-2032	2,970,185	808,717	—	—	243,720	36,675	23,476	3,733
2033-2037	1,963,285	300,499	—	—	—	—	5,139	234
2038-2042	864,090	51,245	—	—	—	—	—	—
Total	**$ 9,794,165**	**$ 2,721,676**	**$ 41,915**	**$ 2,012**	**$ 452,655**	**$ 129,941**	**$ 47,315**	**$ 11,630**

	Business-type Activities					
	Revenue Bonds		Notes and Loans Payable - Financing Lease Agreements		Notes and Loans Payable - Other	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 6,465	$ 20,581	$ 114,184	$ 104,774	$ 1,778	$ 162
2024	6,785	19,764	119,835	99,953	1,204	133
2025	7,125	19,425	125,286	94,904	615	103
2026	7,480	19,068	128,904	89,450	632	83
2027	7,780	18,761	133,091	83,683	648	69
2028-2032	55,370	88,049	703,245	329,187	2,229	104
2033-2037	116,555	73,796	633,693	180,971	—	—
2038-2042	115,320	49,687	370,160	70,652	—	—
2043-2047	98,035	29,609	76,441	17,414	—	—
2048-2052	116,915	10,730	45,991	4,154	—	—
Total	**$ 537,830**	**$ 349,470**	**$ 2,450,830**	**$ 1,075,142**	**$ 7,106**	**$ 654**

NOTE 10 - LONG-TERM LIABILITIES (continued)

Component Units

Year	Higher Education Foundations		Augusta Health Systems Incorporated		Georgia Tech Foundation		Geo. L. Smith, II Georgia World Congress Center Authority	
	Revenue Bonds		Revenue Bonds		Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 85,751	$ 96,160	$ 7,970	$ 9,240	$ 12,505	$ 12,399	$ —	$ 19,106
2024	92,824	92,635	92,940	8,832	13,130	11,831	—	19,106
2025	99,035	88,314	2,600	4,273	13,995	11,220	—	19,106
2026	103,250	83,736	3,425	4,122	14,190	10,560	—	19,106
2027	108,400	78,961	3,815	3,941	14,730	9,867	7,240	19,106
2028-2032	585,075	317,084	23,665	16,693	68,100	38,650	43,590	91,731
2033-2037	568,035	189,517	28,805	10,202	9,405	28,633	58,385	81,611
2038-2042	385,475	81,307	33,960	2,115	13,445	26,398	73,235	67,017
2043-2047	143,180	31,591	—	—	18,630	23,161	91,210	49,039
2048-2052	93,685	8,756	—	—	141,535	12,061	113,320	26,929
2053-2057	2,285	—	—	—	—	—	52,615	3,482
Total	**$ 2,266,995**	**$ 1,068,061**	**$ 197,180**	**$ 59,418**	**$ 319,665**	**$ 184,780**	**$ 439,595**	**$ 415,339**

Year	Georgia Ports Authority		Other Component Units		Higher Education Foundations		Georgia Tech Foundation	
	Revenue Bonds		Revenue Bonds		Notes and Loans Payable		Notes and Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 4,590	$ 11,704	$ 606	$ 208	$ 51,971	$ 7,185	$ 14,083	$ 2,440
2024	7,205	17,549	639	175	37,485	5,797	32,404	1,725
2025	7,565	17,189	673	141	18,805	4,596	776	760
2026	7,945	16,811	710	105	8,486	4,226	799	736
2027	8,340	16,414	748	66	9,187	3,922	824	712
2028-2032	48,385	75,381	787	26	46,911	14,396	23,281	830
2033-2037	61,755	62,013	—	—	36,081	5,402	—	—
2038-2042	77,260	46,509	—	—	14,443	1,070	—	—
2043-2047	92,845	30,923	—	—	—	—	—	—
2048-2052	111,150	12,611	—	—	—	—	—	—
Total	**$ 427,040**	**$ 307,104**	**$ 4,163**	**$ 721**	**$ 223,369**	**$ 46,594**	**$ 72,167**	**$ 7,203**

Year	Geo. L. Smith, II Georgia World Congress Center Authority		Other Component Units		Georgia Housing and Finance Authority	
	Notes and Loans Payable		Notes and Loans Payable		Mortgage Bonds	
	Principal	Interest	Principal*	Interest	Principal	Interest
2023	$ 549	$ 1,985	$ 1,522	$ 70	$ 43,480	$ 45,418
2024	626	1,959	1,861	52	44,410	44,197
2025	706	1,930	1,560	32	47,230	43,123
2026	792	1,898	1,590	13	45,565	41,847
2027	882	1,861	450	1	42,570	40,644
2028-2032	5,960	8,602	—	—	229,990	184,116
2033-2037	9,120	6,957	—	—	247,185	148,220
2038-2042	13,243	4,508	—	—	319,535	102,174
2043-2047	12,360	1,149	—	—	281,120	49,990
2048-2052	—	—	—	—	150,165	7,947
Total	**$ 44,238**	**$ 30,849**	6,983	**$ 168**	**$ 1,451,250**	**$ 707,676**
*Does not include note still in draw down phase.			2,305			
			$ 9,288			

NOTE 11 - LEASES

A. Lessee – Lease Obligations

The State leases land, office facilities, office and computer equipment, and other assets. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. Other leases generally contain provisions that, at the expiration date of the original term of the lease, the State has the option of renewing the lease on a year-to-year basis. Leases renewed yearly for a specified time period, i.e. lease expires at 12 months and must be renewed for the next year, do not meet the qualification as a lease.

Total lease principal and interest payments for the State's governmental activities, business-type activities, and component units were $111.3 million and $14.3 million, $64.4 million and $50.4 million, and $4.4 million and $2.5 million, respectively, for the year ended June 30, 2022. Unless the lessor rate is known, the State's borrowing rate is used. Interest rates for 2022 ranged from 0.0005% - 20.90%.

The lease contracts, at times, include variable payments, residual value guarantees, or termination penalties that are not known or certain to be exercised at the time of the lease obligation valuation. For the fiscal year 2022, the State recognized expense for lease variable payments related to payments based on performance and termination penalties of $372.9 thousand for governmental activities and $125.6 thousand for business-type activities. There were no residual value guarantees for the fiscal year.

For details of Intangible Right-To-Use Assets, refer to Note 9 - Capital Assets.

Below is the future commitments related to the outstanding lease obligations year at June 30, 2022:

	Primary Government					
Fiscal Year Ended June 30	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 105,576	$ 16,747	$ 64,747	$ 58,144	$ 44,286	$ 6,868
2024	98,452	14,720	59,311	7,862	39,696	5,807
2025	92,739	12,789	52,385	7,058	36,698	4,973
2026	85,391	11,092	49,525	6,285	31,534	3,868
2027	69,736	9,486	47,680	5,497	26,227	3,651
2028-2032	257,074	29,860	203,843	14,736	80,147	12,884
2033-2037	129,961	9,512	29,216	3,018	35,849	5,014
2038-2042	51,684	1,896	4,064	1,855	11,082	365
2043-2047	4,137	82	3,704	511	661	28
2048-2052	25	5	789	55	86	7
2053-2057	28	2	—	—	—	—
2058-2062	12	—	—	—	—	—
Total Future Minimum Commitments	**$ 894,815**	**$ 106,191**	**$ 515,264**	**$ 105,021**	**$ 306,266**	**$ 43,465**

NOTE 11 - LEASES (continued)

B. Lessor – Lease Receivable

The State leases property and equipment for use by others for terms varying from 1 to 60 years. Total revenues from rental of property and equipment for the State's governmental activities and the component unit were $28.2 million, and $17.5 million, respectively, for the year ended June 30, 2022. There were no variable payments, residual value guarantees, or termination penalties reported for the fiscal year.

The entities whose principal ongoing operations consist of leasing assets to other entities include Georgia Building Authority, State Properties Commission, and Jekyll Island Authority. Minimum future revenues and rentals to be received under leases as of June 30, 2022 for the aforementioned entities are as follows (amounts in thousands):

	Primary Government					
Fiscal Year Ended June 30	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 12,051	$ 14,123	$ —	$ —	$ 1,238	$ 2,288
2024	13,123	13,785	—	—	1,237	2,253
2025	9,612	13,448	—	—	1,263	2,217
2026	7,453	13,265	—	—	1,229	2,195
2027	8,048	13,104	—	—	1,164	2,145
2028-2032	37,518	63,423	—	—	5,812	10,202
2033-2037	49,928	61,951	—	—	5,483	9,299
2038-2042	63,543	55,414	—	—	3,874	8,574
2043-2047	80,051	50,334	—	—	4,292	7,886
2048-2052	100,646	43,957	—	—	3,954	7,131
2053-2057	124,579	36,019	—	—	3,129	6,561
2058-2062	152,766	26,316	—	—	3,543	6,003
2063-2067	185,580	14,483	—	—	4,200	5,347
2068-2072	107,932	2,080	—	—	4,979	4,568
2073-2077	53	—	—	—	5,902	3,645
2078-2082	191	—	—	—	18,088	3,897
Total Minimum Revenues	**$ 953,074**	**$ 421,702**	**$ —**	**$ —**	**$ 69,387**	**$ 84,211**

NOTE 11 - LEASES (continued)

C. Related Parties

Primary Government

University System of Georgia Foundations

During fiscal year 2022, various foundations that are not included in the government-wide financial statements have entered into transactions with institutions of the University System of Georgia. The University System of Georgia institutions have lease obligations to these foundations that are not included as component units in the amount of $250.2 million as of June 30, 2022.

NOTE 12 - ENDOWMENTS

The State's donor restricted endowment funds reside primarily within the higher education institutions. The funds are pooled at the individual member institution level, unless required to be separately invested by the donor. There is no state law that governs endowment spending; rather, for University System of Georgia member institution controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits the individual member institution to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determine to be prudent. There was no current fiscal year net appreciation on endowment investments available for authorization for expenditure.

Changes in the endowment net position for the year ended June 30, 2022, are as follows (amounts in thousands):

Component Units	**Without Donor Restriction**	**With Donor Restriction**	**Total**
Endowment net position, July 1 (Restated)	$ 412,603	$ 3,926,232	$ 4,338,835
Contributions	1,676	143,232	144,908
Net realized and unrealized gains	(20,447)	(212,655)	(233,102)
Appropriation of endowment assets for expenditure	(9,931)	(143,073)	(153,004)
Transfers to comply with donor intent	(5,981)	685	(5,296)
Other	(4,856)	(1,858)	(6,714)
Endowment net position, June 30	**$ 373,064**	**$ 3,712,563**	**$ 4,085,627**

NOTE 13 - SERVICE CONCESSION ARRANGEMENTS

A. Primary Government

University System of Georgia

During fiscal year ended June 30, 2015, the Board of Regents of the University System of Georgia (BOR) entered into a Service Concession Arrangement (SCA) with Corvias Campus Living-USG,LLC (Corvias), whereby Corvias Campus Living-USG,LLC, manages, maintains and operates certain existing student housing resources on the campuses of nine institutions: Abraham Baldwin Agricultural College; Armstrong State University; Augusta University; College of Coastal Georgia; Columbus State University; Dalton State College; East Georgia State College; Georgia State University; and the University of North Georgia.

Pursuant to the contractual stipulations of this SCA, whereby the BOR and Corvias are the "parties" participating in this agreement, as of May 14, 2015, the institutions noted above transferred the housing resources covered by this SCA, along with associated capital lease obligations to the University System Office (USO) in fiscal year 2015 through special item transfer. In accordance with the SCA, in May 2015, Corvias provided $311.6 million which the BOR used to retire the capital lease obligations transferred to the USO.

On February 23, 2018, the SCA contractual agreement with Corvias was amended. While performance measures and the operating agreement remain intact, the term of the agreement has changed. The SCA, which was originally for 65 years (780 months) to end in June 2080, will now end on June 30, 2055. This contract modification accelerates the amortization of the Deferred Inflows.

For the $311.6 million that was originally received from Corvias Campus Living-USG, LLC, in fiscal year 2015, $8.0 million was amortized at June 30, 2022, leaving a remaining Deferred Inflow of Resources balance of $263.7 million at year end.

In addition to the existing student housing arrangement, Corvias designs and constructs authorized new housing projects that, once constructed, are similarly managed, maintained and operated on seven of the nine campuses with existing student housing resources. Two of these projects were completed in fiscal year 2016 and their fair market values were capitalized increasing Capital Assets by $23.1 million. In fiscal year 2017, five additional housing projects were completed and their fair market values were capitalized increasing Capital Assets by $154.4 million. A deferred inflow of resources was recorded as the offset to the Capital Asset additions. The deferred inflows associated with these projects are being amortized over the remaining life of the SCA in accordance with the term revision noted above. At June 30, 2022, the University System Office amortized $4.6 million of Deferred Inflows related to these seven projects, leaving a remaining Deferred Inflow of Resources balance of $153.0 million at year end.

Also, as part of this SCA, and beginning in fiscal year 2016, the USO receives $8.0 million in Ground Rent and $500,000 in Supplemental Capital Repair and Replacement funds each year for the next ten years, with each amount escalating by 3% annually. The USO recorded accounts receivable and deferred inflow of resources in the amount of $73.2 million representing the present value of this revenue stream based on the agreement terms and will amortize the deferred inflows over a ten-year period. For the year ended June 30, 2022, the University System Office amortized $7.1 million and recognized $3.1 million in associated interest income, leaving a Deferred Inflow balance of $20.3 million as of June 30, 2022.

The USO also receives retained services funds each year as a percentage of gross revenues for that year.

The USO has no reportable future obligation for these services.

NOTE 13 - SERVICE CONCESSION ARRANGEMENTS (continued)

Kennesaw State University

At June 30, 2022, Kennesaw State University (KSU) was a participant in four Service Concession Arrangements.

1. In August 2001, KSU entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the residence hall ("University Place") in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the residence hall at the end of the operating agreement in August 2037.

2. In August 2003, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Village") in accordance with a contractual agreement between the parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in July 2036.

3. In August 2007, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Suites") in accordance with a contractual agreement between the parties. Under the terms of the agreement, the University received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in September 2038.

4. In August 2020, the KSU entered into an agreement with KSUF to simplify the student experience for KSUF-owned housing (University Place, University Village, and University Suites). Under this agreement, KSU is responsible for providing property management services on behalf of KSUF in a fiduciary capacity for billing and the collection of housing charges.

5. In July 2017, KSU entered into a lease agreement with a food service provider whereby the vendor will operate a restaurant in accordance with a contractual agreement between the two parties. Under the terms of the agreement, the University received no funds upfront, but will take full ownership of the equipment and lease improvements at the end of the operating agreement in June 2027.

For fiscal year 2020, the University increased beginning deferred inflows by $3.5 million related to the re-evaluation of SCA with the KSUF. The agreement terms were revised which reduced annual and accumulated amortization.

At June 30, 2022, the KSU reports the three housing residences and one retail space as capital assets with a net carrying value of $50.5 million. For fiscal year 2022, the KSU reported a remaining deferred inflows of resources of $50.5 million and amortized revenue of $3.5 million.

NOTE 14 - DEFERRED INFLOWS AND OUTFLOWS

Deferred Outflows and Inflows of Resources reported on the Statement of Net Position as of June 30, 2022, consisted of the following (amounts in thousands):

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	$ —	$ —	$ —	$ 4,630
Deferred Amount on Refundings of Bonded Debt	6,389	69,186	75,575	29,573
Deferred Outflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	1	270,974	270,975	500
Change of assumptions	11,411	416,701	428,112	25,106
Net difference between projected and actual earnings on pension plan investments	33	(33)	—	1,074
Change in proportion	75,911	10,120	86,031	11,724
State contribution subsequent to measurement date	130,385	162,262	292,647	3,936
Deferred Outflows Relating to Pensions:				
Difference between expected and actual experience	75,430	341,879	417,309	16,067
Change of assumptions	678,425	315,493	993,918	31,529
Net difference between projected and actual earnings on pension plan investments	141	8,085	8,226	30
Change in proportion	60,200	49,426	109,626	7,247
State contribution subsequent to the measurement date	654,398	455,649	1,110,047	30,841
Total Deferred Outflows of Resources	**$ 1,692,724**	**$ 2,099,742**	**$ 3,792,466**	**$ 162,257**
Deferred Inflows of Resources				
Deferred Amount on Refundings of Bonded Debt	$ 285	$ 66,993	$ 67,278	$ —
Deferred Service Concession Arrangement Receipts	—	487,510	487,510	—
Deferred Inflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	596,097	99,551	695,648	50,893
Change of assumptions	249,435	726,916	976,351	13,012
Net difference between projected and actual earnings on pension plan investments	213,325	27,417	240,742	6,995
Change in proportion	88,252	6,660	94,912	6,768
Deferred Inflows Relating to Pensions:				
Difference between expected and actual experience	45,033	—	45,033	245
Change of assumptions	31,066	—	31,066	—
Net difference between projected and actual earnings on pension plan investments	2,457,956	2,207,227	4,665,183	139,876
Change in proportion	80,532	134,847	215,379	11,848
Unavailable Revenue	26,947	12,057	39,004	7,741
Leases	946,751	32,094	978,845	486,387
Total Deferred Inflows of Resources	**$ 4,735,679**	**$ 3,801,272**	**$ 8,536,951**	**$ 723,765**

NOTE 14 - DEFERRED INFLOWS AND OUTFLOWS (continued)

Of the $1.7 billion of deferred outflows of resources reported in the governmental activities, $217.7 million represent deferred outflows related to other postemployment benefits, of which $3.9 million are reported in the internal service funds and $1.4 billion represent deferred outflows relating to pensions, of which $20.4 million are reported in the internal service funds. The remaining $6.4 million represent deferred amounts on refundings of bonded debt.

Of the $4.7 billion of deferred inflows of resources reported in the governmental activities, $1.1 billion represent deferred inflows related to other postemployment benefits, of which $16.9 million are reported in the internal service funds and $2.6 billion represent deferred inflows relating to pensions, of which $29.5 million are reported in the internal service funds. Additionally, the U.S. Department of Justice settled an agreement with the Volkswagen Corporation in which an Environmental Mitigation Trust was established. The State has $26.9 million in unavailable revenues to fund future eligible mitigation actions. The remaining $285.0 thousand represent deferred amounts on refundings of bonded debt.

Deferred outflows reported in business-type activities include $2.1 billion which represent $860.0 million relating to other postemployment benefits, $1.2 billion which represent deferred outflows relating to pensions and $69.2 million, which represent deferred amounts on refundings of bonded debt.

Of the $3.8 billion of deferred inflows of resources reported in the business-type activities, $860.5 million represent deferred inflows relating to other postemployment benefits, $2.3 billion represent deferred inflows relating to pensions, $487.5 million represent deferred service concession arrangement receipts described in *Note 13 - Service Concession Arrangements*, $67.0 million represent deferred amounts on refundings of bonded debt and $12.1 million in unavailable revenue represent grant funds received before the period when those resources are permitted to be used.

Of the $162.3 million of deferred outflows of resources reported in the component units, $42.3 million represent deferred outflows relating to other postemployment benefits, $85.7 million represent deferred outflows relating to pensions and $29.6 million represent deferred amounts on refundings of bonded debt. The remaining $4.6 million represent accumulated decrease in fair value of hedging derivatives.

Of the $723.8 million of deferred inflows of resources reported in the component units, $77.7 million represent deferred inflows relating to other postemployment benefits, $152.0 million represent deferred inflows relating to pensions, and $7.7 million in unavailable revenue represent grants funds received before the period when those resources are permitted to be used.

Under the modified accrual basis of accounting, governmental funds reported $1.3 billion in unavailable revenue as deferred inflows of resources, which consisted primarily of taxes and interest received more than 30 days after close of the current fiscal year.

Of the $1.5 billion dollars of deferred inflows of resources reported in leases, $946.8 million represents Governmental Activities, $32.1 million represents Business-type Activities and $486.4 million represents Component Units.

NOTE 15 - RETIREMENT SYSTEMS

The State administers various retirement plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer. In addition, the State is the only entity with a statutory requirement to contribute on behalf of the employer directly to many of these Plans creating a situation defined as a Non-employer Contributing Entity in a Special Funding Situation (SFS).

The State's significant retirement plans are:

- Teachers Retirement System of Georgia (TRS) (www.trsga.com)
- Employees' Retirement System (ERS), which is part of the Employees' Retirement System of Georgia (the System) (www.ers.ga.gov)

Each of these systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. 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.

There are other retirement plans deemed to be not significant, which are presented in the Fiduciary Funds section of this report, but are not included in the notes to the financial statements and required supplementary information, as follows:

- Plans included in the System (www.ers.ga.gov):
  - Public School Employees Retirement System
  - Georgia Judicial Retirement System
  - Legislative Retirement System
  - Georgia Military Pension Fund
- Peace Officers' Annuity and Benefit Fund (www.poab.georgia.gov)
- Georgia Firefighters' Pension Fund (www.gfpf.org)
- Plans of the Georgia Ports Authority (www.gaports.com)
  - Retirement Plan for Employees of Georgia Ports Authority
  - Georgia Ports Authority Supplemental Retirement Plan
- Augusta University Early Retirement Pension Plan (www.usg.edu/regents)
- Magistrates Retirement Fund of Georgia (www.mrf.georgia.gov)
- Judges of the Probate Courts Retirement Fund of Georgia (www.jpc.georgia.gov)
- Superior Court Clerks' Retirement Fund of Georgia (www.scc.georgia.gov)
- Sheriffs' Retirement Fund of Georgia (www.georgiasheriffs.org)

In addition, the State administers the Regents Retirement Plan, which is an optional retirement plan for certain university employees. (www.usg.edu/regents)

A. Basis of Accounting

Retirement plan financial statements are prepared on the accrual basis of accounting. Contributions from the employers and members are recognized as additions when due, pursuant to formal commitments, as well as statutory or contractual requirements. Retirement benefits and refund payments are recognized as deductions when due and payable. The retirement plans' fiduciary net positions have been determined on the same basis as they are reported by the various plans.

NOTE 15 - RETIREMENT SYSTEMS (continued)

B. Investments

Investments are reported at fair value and net asset value (NAV) as a practical expedient to fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for the System, is represented below, along with the TRS plan.

Pension Plans	Net Annual Money-Weighted Rate
ERS	(18.70)%
Teacher's Retirement System	(15.18)%

For all plans mentioned above, the money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ERS and TRS have investment policies regarding the allocation of invested assets.

The ERS and TRS policies are established on a cost basis in compliance with Georgia Statute. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through each pension plan.

The following table summarizes the adopted asset allocation policy by plan at June 30, 2022:

	Target Allocation	
Asset Class	**ERS**	**TRS**
Fixed Income	25% - 45%	25% - 45%
Equities	55% - 75%	55% - 75%
Alternative Investments	0% - 5%	0% - 5%
Total	**100.0 %**	**100.0 %**

C. Defined Benefit Plans Descriptions and Funding Policies

Employees' Retirement System of Georgia (The System)

The System is comprised of individual retirement systems and plans covering substantially all employees of the State except for teachers and other employees covered by TRS. The System is administrated by a Board of Trustees that is comprised of active and retired members, ex-officio state employees, and appointees by the Governor.

NOTE 15 - RETIREMENT SYSTEMS (continued)

Employees' Retirement System (ERS)

Plan Description: One of the plans within the System, also titled ERS, is a cost-sharing multiple-employer defined benefit pension plan that was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. ERS acts pursuant to statutory direction and guidelines, which may be amended prospectively for new hires but for existing members and beneficiaries may be amended in some aspects only subject to potential application of certain constitutional restraints against impairment of contract.

Benefits Provided: The benefit structure of ERS is established by the Board of Trustees under statutory guidelines. Unless the employee elects otherwise, an employee who currently maintains membership with ERS based upon State employment that started prior to July 1, 1982, is an "old plan" member subject to the plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982, but prior to January 1, 2009, are "new plan" members subject to the modified plan provisions. Effective January 1, 2009, newly hired State employees, as well as rehired State employees who did not maintain eligibility for the "old" or "new" plan, are members of the Georgia State Employees' Pension and Savings Plan (GSEPS). Members of the GSEPS plan may also participate in the GSEPS 401(k) defined contribution component described below. ERS members hired prior to January 1, 2009, also have the option to irrevocably change their membership to the GSEPS plan.

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

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

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

NOTE 15 - RETIREMENT SYSTEMS (continued)

Employer and nonemployer contributions required, as a percentage of covered payroll, for fiscal year 2022 were based on the June 30, 2019 actuarial valuation as follows:

Plan Segment	Contribution Rate 2022
Old Plan*	24.63 %
New Plan	24.63 %
GSEPS	21.57 %

* 4.75% of which was paid by the State on behalf of old plan members.

The State makes contributions to ERS on behalf of certain non-State employers as follows: Pursuant to The Official Code of Georgia Annotated OCGA § 47-2-292 (a) the Department of Revenue receives an annual appropriation from the Georgia General Assembly to be used to fund the employer contributions for certain local county tax commissioners and employees. Pursuant to OCGA § 47-2-290(a) the Council of State Courts (CSC) and the Prosecuting Attorneys' Council (PAC) receive annual appropriations from the Georgia General Assembly for employer contributions of certain local employees in State Courts.

Members become vested after 10 years of service. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contributions the member forfeits all rights to retirement benefits.

Teachers Retirement System of Georgia (TRS)

Plan Description: TRS is a cost-sharing multiple-employer defined benefit plan created in 1943 by an act of the Georgia General Assembly to provide retirement benefits for qualifying employees in educational service. A Board of Trustees comprised of two appointees by the Board, two ex-officio State employees, five appointees by the Governor, and one appointee of the Board of Regents is ultimately responsible for the administration of TRS. All teachers in the state public schools, the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and certain other designated employees in educational-related work are eligible for membership.

Benefits Provided: TRS provides service retirement, disability retirement, and survivor's benefits. Title 47 of the OCGA assigns the authority to establish and amend the provisions of TRS to the State Legislature. A member 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. A member is eligible for early retirement after 25 years of creditable service.

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

NOTE 15 - RETIREMENT SYSTEMS (continued)

Contributions: TRS is funded by member, employer and nonemployer contributing entity (Nonemployer) contributions as adopted and amended by the Board of Trustees. Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions are limited by State law to not less than 5% or more than 6% of a member's earnable compensation.

The State makes contributions to TRS on behalf of certain non-State employers as follows: Pursuant to OCGA § 47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employers by the State of Georgia.

Member contributions as adopted by the Board of Trustees for fiscal year 2022 were 6% of covered payroll. Employer and Nonemployer contributions required for fiscal year 2022 were 19.81% of annual salary as required by the June 30, 2019, actuarial valuation.

D. Defined Benefit Plans Membership and Participating Employers

The following table summarizes the participating membership and participating employers at June 30, 2022:

Participating Membership by Plan
June 30, 2022

Plan Membership	**ERS**	**TRS**
Inactive plan members or beneficiaries currently receiving benefits	54,530	144,047
Inactive plan members entitled to but not yet receiving benefits	70,637	15,281
Inactive plan members not entitled to benefits	—	114,484
Active plan members	52,526	230,344
Total	**177,693**	**504,156**
Number of Employers	396	322

These counts treat each legal entity in the State reporting entity as one employer.

NOTE 15 - RETIREMENT SYSTEMS (continued)

E. Defined Benefit Plans Net Pension Liability/(Asset) of Participating Employers and Nonemployer Contributing Entities

The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the components of the Net Pension Liability of the participating employers and nonemployer contributing entities, as of June 30, 2022, by Plan (amounts in thousands):

Components of the Net Pension Liability	ERS	TRS
Total Pension Liability	$ 20,508,975	$ 119,594,792
Plan Fiduciary Net Position	13,830,510	87,122,859
Employers' and non-employer contributing entity's net pension liability	$ 6,678,465	$ 32,471,933
Plan fiduciary net position as a percentage of the total pension liability	67.44 %	72.85 %

F. Defined Benefit Plans Actuarial Methods and Assumptions

Actuarial Valuation Date

The total pension liability at June 30, 2022 is based upon the June 30, 2021 actuarial valuation for ERS and TRS using generally accepted actuarial procedures/techniques.

Actuarial Assumptions

The total pension liability, as of June 30, 2022, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement:

(chart on next page)

NOTE 15 - RETIREMENT SYSTEMS (continued)

Actuarial Assumptions

Plan	Valuation date	Inflation	Salary increases	Investment rate of return[1]	Cost of Living Adjustment	Mortality	Actuarial experience study
ERS	6/30/2021	2.50%	3.00% - 6.75%*	7.00%	1.05% annually	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees - General Healthy Annuitant mortality table with further adjustments (set forward one year for both males and females and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively).	7/1/2014-6/30/2019
TRS	6/30/2021	2.50%	3.00% - 8.75%*	6.90%	1.5% semi-annually	Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (set forward one year and adjusted 106%) with the MP-2019 Projected scale applied generationally. The rates of improvement were reduced by 20% for all years prior to ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. Rates of improvement were reduced by 20% for all years prior to the ultimate rate.	7/1/2013-6/30/2018

[1]Investment rate of return is net of pension plan investment expense, including inflation.

*Includes respective inflation assumptions.

The actuarial assumptions used in the valuations are based on the results of the most recent actuarial experience studies dates noted in the table, with the exception of the investment rate of return and the annual rate of inflation for the ERS and TRS plans, and the payroll growth rate assumption for TRS.

NOTE 15 - RETIREMENT SYSTEMS (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on 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.

Summarized by plan in the table below are the target asset allocation and best estimates of arithmetic real rates of return for each major asset class for ERS and TRS plans.

	Target Allocation			
Asset Class	**ERS**		**TRS**	
	Target allocation	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed Income	30.0 %	0.2%	30.0 %	0.2%
Domestic large equities	46.3 %	9.4 %	46.3 %	9.4 %
Domestic small equities	1.2 %	13.4 %	1.2 %	13.4 %
International developed market equities	12.3 %	9.4 %	12.3 %	9.4 %
International emerging market equities	5.2 %	11.4 %	5.2 %	11.4 %
Alternatives	5.0 %	10.5 %	5.0 %	10.5 %
Total	**100.0 %**		**100.0 %**	

* Rates shown are net of the 2.50% assumed rate of inflation .

Discount Rate

The discount rate used to measure the total pension liability for ERS and TRS, as of June 30, 2022, was 7.00% and 6.90%, respectively. The projection of cash flows used by each plan to determine the discount rate was assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each 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.

NOTE 15 - RETIREMENT SYSTEMS (continued)

Sensitivity of the Participating Employers and Nonemployer Contributing Entities NPL to Changes in the Discount Rate

The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the NPL of the employer and nonemployer contributing entities, as of June 30, 2022. The NPL is calculated using the determined discount rate as well as what the NPL 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 by the Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer and Nonemployer Contributing Entities Net Pension Liability to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
ERS's Net Pension Liability	$ 8,890,273	$ 6,678,465	$ 4,818,505
	(5.90%)	(6.90%)	(7.90%)
TRS's Net Pension Liability	$ 48,989,393	$ 32,471,933	$ 18,983,242

NOTE 15 - RETIREMENT SYSTEMS (continued)

The following information is from the perspective of the State as the employer.

G. State's Proportionate Share of Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The State reported a liability as the Employer for its proportionate share of the NPL associated with the plans listed below. In addition, the State reported a liability for its proportionate share of the NPL as a result of its statutory requirement to contribute to certain plans. These contributions were made by the State as the Non-employer Contributing Entity in a Special Funding Situation.

The following schedule is presented from the perspective of the State as the Employer and/or non-employer contributing entity and details the proportionate share of the pension amounts for each plan as of June 30, 2022 is as follows (amounts in thousands):

Aggregate Pension Amounts - All Plans

	Primary Government	Component Units
Pension liabilities	$ 3,680,849	$ 135,290
Pension assets	$ 236,197	$ 48,810
Deferred outflows of resources related to pensions	$ 2,639,126	$ 85,714
Deferred inflows of resources related to pensions	$ 4,956,661	$ 151,969
Pension expense/expenditures	$ 363,942	$ 12,260

NOTE 15 - RETIREMENT SYSTEMS (continued)

The information below includes all significant plans and funds administered by the State of Georgia.

The NPL for each plan was measured as of June 30, 2021. The total pension liability/asset used to calculate the NPL for each plan was based on an actuarial valuation as of June 30, 2020 for ERS and TRS.

Employees' Retirement System

State's Proportionate Share of Net Pension Liability and Pension Expense

Primary Government: At June 30, 2022, the State reported a liability of $2.1 billion, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total pension liability to June 30, 2021. The State's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2021. At June 30, 2021, the State's proportion for the ERS plan as Employer was 88.744453% which was a decrease of 0.069659% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized pension expense of $227.3 million.

At June 30, 2022, the State reported a liability of $35.3 million, for its proportionate share of the net pension liability, based on contributions to ERS during the fiscal year ended June 30, 2021, for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. At June 30, 2021, the State's proportion was 1.510823% for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. For the year ended June 30, 2022, the State recognized expense of $1.3 million.

Component Units: At June 30, 2022, the State reported a liability of $30.6 million, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total pension liability to June 30, 2021. The State's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2021. At June 30, 2021, the State's proportion for the ERS plan as Employer was 1.307751%, which was a decrease of 0.182452% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized pension expense of $1.8 million.

NOTE 15 - RETIREMENT SYSTEMS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government				Component Units	
	State as Employer		State as Nonemployer Contributing Entity		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,120	$ 6,460	$ 836	$ —	$ 723	$ —
Changes of assumptions	597,727	—	10,176	—	8,778	—
Net difference between projected and actual earnings on pension plan investments	138	1,911,931	—	32,660	30	28,269
Changes in proportion and differences between State contributions and proportionate share of contributions	59,072	61,620	1,388	3,163	2,099	6,454
State contributions subsequent to the measurement date	553,222	—	8,586	—	8,188	—
Total	**$ 1,259,279**	**$1,980,011**	**$ 20,986**	**$ 35,823**	**$ 19,818**	**$ 34,723**

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of $553.2 million and $8.6 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2023.

Component Units: State contributions as employer subsequent to the measurement date of $8.2 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2023.

NOTE 15 - RETIREMENT SYSTEMS (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

	Primary Government		Component Units
Year ended June 30:	State as Employer	State as Nonemployer Contributing Entity	State as Employer
2023	$ 27,261	$ 1,869	$ 3,480
2024	268,067	4,893	5,191
2025	466,209	7,937	6,870
2026	512,417	8,724	7,552
2027	—	—	—
Thereafter	—	—	—

Teachers Retirement System of Georgia

State's Proportionate Share of Net Pension Liability and Pension Expense

Primary Government: At June 30, 2022, the State reported a liability of $1.4 billion, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total pension liability to June 30, 2021. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2021. At June 30, 2021, the State’s proportion for the TRS plan as Employer was 16.325966%, which was a decrease of 0.474687% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized pension expense of $36.4 million.

At June 30, 2022, the State reported a liability of $18.3 million, for its proportionate share of the net pension liability, based on contributions to TRS during the fiscal year ended June 30, 2021. At June 30, 2021, the State’s proportion was 0.206584% for certain full-time public school support personnel. For the year ended June 30, 2022, the State recognized expense of $(9.7) million.

Component Units: At June 30, 2022, the State reported a liability of $50.0 million, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total pension liability to June 30, 2021. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2021. At June 30, 2021, the State’s proportion for the TRS plan as Employer was 0.565710%, which was a decrease of 0.011827% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized pension expense of $1.7 million.

NOTE 15 - RETIREMENT SYSTEMS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	Primary Government				Component Units	
	State as Employer		State as Nonemployer Contributing Entity		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 344,543	$ —	$ 4,360	$ —	$ 11,940	$ —
Changes of assumptions	279,448	—	3,536	—	9,684	—
Net difference between projected and actual earnings on pension plan investments	—	2,111,915	—	26,725	—	73,185
Changes in proportion and differences between State contributions and proportionate share of contributions	44,154	137,848	3,487	11,223	5,148	5,394
State contributions subsequent to the measurement date	425,473	—	5,398	—	14,458	—
Total	**$ 1,093,618**	**$2,249,763**	**$ 16,781**	**$ 37,948**	**$ 41,230**	**$ 78,579**

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of $425.5 million and $5.4 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2023.

Component Units: State contributions as employer subsequent to the measurement date of $14.5 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2023.

NOTE 15 - RETIREMENT SYSTEMS (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts in thousands):

	Primary Government		Component Units
Year ended June 30:	**State as Employer**	**State as Nonemployer Contributing Entity**	**State as Employer**
2023	$ (304,817)	$ (9,900)	$ (9,746)
2024	(305,075)	(4,573)	(9,388)
2025	(436,770)	(5,396)	(14,275)
2026	(534,956)	(6,696)	(18,398)
2027	—		—
Thereafter	—		—

H. Actuarial Methods and Assumptions (GASB 68)

The total pension liability, as of June 30, 2021, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement:

(chart on next page)

NOTE 15 - RETIREMENT SYSTEMS (continued)

Actuarial Assumptions

Plan	Valuation date	Inflation	Salary increases	Investment rate of return[1]	Cost of Living Adjustment	Mortality	Actuarial experience study
ERS	6/30/2020	2.50%	3.00% - 6.75%*	7.00%	N/A	Post-retirement mortality rates were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees - General Health Annuitant mortality table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males and adjusted 103% and 106% for males and females respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively). The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.	7/1/2014-6/30/2019
TRS	6/30/2020	2.50%	3.00% - 8.75%*	7.25%	1.5% semi-annually	Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (set forward one year and adjusted 106%) with the MP-2019 Projected scale applied generationally. The rates of improvement were reduced by 20% for all years prior to ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table (set forward one year and adjusted 106%) was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. Rates of improvement were reduced by 20% for all years prior to the ultimate rate.	7/1/2013-6/30/2018

[1]Investment rate of return is net of pension plan investment expense, including inflation.

*Includes respective inflation assumptions.

Long-Term Expected Rate of Return

The long-term expected rate of return on 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.

NOTE 15 - RETIREMENT SYSTEMS (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized by plan in the table below:

	Target Allocation			
Asset Class	**ERS**		**TRS**	
	Target allocation	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed Income	30.0 %	(1.5%)	30.0 %	(0.8%)
Domestic large equities	46.4 %	9.2 %	46.3 %	9.3 %
Domestic small equities	1.1 %	13.4 %	1.2 %	13.3 %
International developed market equities	11.7 %	9.2 %	11.5 %	9.3 %
International emerging market equities	5.8 %	10.4 %	6.0 %	11.3 %
Alternatives	5.0 %	10.6 %	5.0 %	10.6 %
Total	100.0 %		100.0 %	

* Rates shown are net of the 2.50% assumed rate of inflation.

Discount Rate

The discount rate used for ERS to measure the total pension liability, as of June 30, 2021, was 7.00%. The discount rate used for TRS to measure the total pension liability was 7.25%. The projection of cash flows used by each plan to determine the discount rate was assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each 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.

NOTE 15 - RETIREMENT SYSTEMS (continued)

The following schedule is presented from the perspective of the State as the employer and non-employer contributing entity and details the State's proportionate share of the Net Pension Liability (NPL)/Net Pension Asset (NPA), as of June 30, 2021. The NPL is calculated using the discount rate detailed below, as well as what the State's proportionate share of the NPL 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 (amounts in thousands):

Sensitivity of the Net Pension Liability/Asset to Changes in the Discount Rate

	Primary Government			Component Units		
	1% Decrease	**Current Discount Rate**	**1% Increase**	**1% Decrease**	**Current Discount Rate**	**1% Increase**
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
ERS's Net Pension Liability	$ 3,803,576	$ 2,075,647	$ 614,300	$ 56,050	$ 30,587	$ 9,052
SFS	64,754	35,337	10,458	—	—	—
Total ERS Net Pension Liability	$ 3,868,330	$ 2,110,984	$ 624,758	$ 56,050	$ 30,587	$ 9,052
	(6.25%)	(7.25%)	(8.25%)	(6.25%)	(7.25%)	(8.25%)
TRS's Net Pension Liability/(Asset)	$ 3,889,545	$ 1,443,829	$ (560,096)	$ 134,776	$ 50,033	$ (19,408)
SFS	49,217	18,271	(7,087)	—	—	—
Total TRS's Net Pension Liability/(Asset)	$ 3,938,762	$ 1,462,100	$ (567,183)	$ 134,776	$ 50,033	$ (19,408)

I. Defined Contribution Plans

GSEPS 401(k) Component of ERS Plan

In addition to the ERS defined benefit pension described above, GSEPS members may also participate in the Peach State Reserves 401(k) defined contribution plan and receive an employer matching contribution. The 401(k) plan is administered by the System and was established by the Georgia Employee Benefit Plan Council in accordance with State law and Section 401(k) of the IRC. The GSEPS segment of the 401(k) plan was established by State law effective January 1, 2009. Plan provisions and contribution requirements specific to GSEPS can be amended by State law. Other general 401(k) plan provisions can be amended by the ERS Board of Trustees as required by changes in federal tax law or for administrative purposes. The State was not required to make significant contributions to the 401(k) plan prior to GSEPS because most members under other segments of the plan either were not State employees or were not eligible to receive an employer match on their contributions.

The GSEPS plan includes automatic enrollment in the 401(k) plan at a contribution rate of 5% of salary unless the participating member elects otherwise. The member may change such level of participation at any time. In addition, the member may make such additional contributions as he or she desires, subject to limitations imposed by federal law. The State will match 100% of the employee's initial 1% contribution and 50% of contribution percents two through five. Therefore, the State will match 3% of salary when an employee contributes at least 5% to the 401(k) plan. Employee contributions greater than 5% of salary do not receive any matching funds.

NOTE 15 - RETIREMENT SYSTEMS (continued)

GSEPS employer contributions are subject to a vesting schedule, which determines eligibility to receive all or a portion of the employer contribution balance at the time of any distribution from the account after separation from all State service. Vesting is determined based on the table below:

Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Employee contributions and earnings thereon are 100% vested at all times. The 401(k) plan also allows participants to roll over amounts from other qualified plans to their respective account in the 401(k) plan on approval of the 401(k) plan administrator. Such rollovers are 100% vested at the time of transfer. Participant contributions are invested according to the participant's investment election. If the participant does not make an election, investments are automatically defaulted to a Lifecycle fund based on the participant's date of birth.

The participants may receive the value of their vested accounts upon attaining age 59.5, qualifying financial hardship, or 30 days after retirement or other termination of service (employer contribution balances are only eligible for distribution upon separation from service). Upon the death of a participant, his or her beneficiary shall be entitled to the vested value of his or her accounts. Employees who die while actively employed and eligible for 401(k) employer matching contributions become fully vested in employer contributions upon death. Distributions are made in installments or in a lump sum.

There were 74,098 plan members and 461 participating employers in the plan at June 30, 2022. For the fiscal year ended June 30, 2022, the State's employer and employee GSEPS contributions were $38.4 million and $79.8 million, respectively. Additionally, the State made contributions of $0.1 million on behalf of employers that are not in the reporting entity. Employer contributions may be partially funded from non-vested contributions that were forfeited by employees.

Regents Retirement Plan

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan established by the Georgia General Assembly in OCGA § 47-21-1. It is administered and may be amended by the Board of Regents of the University System of Georgia (Board of Regents). A participant in the plan is an "eligible university system employee" defined as a faculty member or all exempt full and partial benefit eligible employees as designated by the regulations of the Board. Under the 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. The approved vendors have separately issued financial reports that may be obtained through their respective corporate offices.

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.

The institutions of the University System of Georgia make monthly employer contributions for the Regents Retirement Plan at rates determined by the Board of Regents in accordance with State statute and as advised by their

NOTE 15 - RETIREMENT SYSTEMS (continued)

independent actuary. For the fiscal year ended June 30, 2022, the employer contribution was 9.24% of the participating employee's earned compensation, and employees contributed 6.00% of their earned compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times. For the fiscal year ended June 30, 2022, employer and employee contributions were $142.2 million and $92.8 million, respectively.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS

The State administers various multiple-employer other postemployment benefit (OPEB) plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer.

The State's multiple-employer OPEB plans are:

- Plans Administered by Department of Community Health (DCH):
    - Georgia State Employees Post-employment Health Benefit Fund (State OPEB Fund)
    - Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund)
- State Employees' Assurance Department (SEAD-OPEB Plan), which is administered by Employees' Retirement System (ERS) (www.ers.ga.gov):

The financial statements for the State OPEB Fund, School OPEB Fund, and SEAD-OPEB Plan are presented in the Fiduciary Funds section of this report. The SEAD-OPEB Plan issues separate publicly available financial reports that include the applicable financial statements and required supplementary information.

A. Basis of Accounting

The financial statements of these plans are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions from employers and members are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The OPEB plan's fiduciary net positions have been determined on the same basis as they are reported by the various plans.

B. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense are represented below:

OPEB Plans	Net Annual Money-Weighted Rate
State OPEB Fund	(6.94%)
School OPEB Fund	(6.93%)
SEAD-OPEB Plan	(18.70%)

For all plans mentioned above the money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. These three plans have investment policies regarding the allocation of invested assets, established on a cost basis in compliance with Georgia Statute. Plan assets are managed on a total return basis with a short-term objective of stability of principal while allowing for liquidity and a long-term objective of achieving and maintaining a fully funded status for the benefits provided through each OPEB plan.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The following table summarizes the adopted asset allocation policy by plan at June 30, 2022:

	Target Allocation		
Asset Class	**State OPEB**	**School OPEB**	**SEAD-OPEB**
Fixed Income	30 %	30 %	25% - 45%
Equities	70 %	70 %	55% - 75%
Alternative Investments	— %	— %	0% - 5%
Total	**100.0 %**	**100.0 %**	**100.0 %**

C. Plans Descriptions and Funding Policies

<u>State OPEB Fund and School OPEB Fund</u>

Plan Description: The State OPEB Fund and School OPEB Fund are cost-sharing multiple-employer defined benefit postemployment healthcare plans and are reported as employee benefit trust funds. The Funds are administered by a Board of Community Health (Board) that is comprised of nine members, including two former State of Georgia employees and seven industry professionals. The OCGA § 45-18-25 and § 20-2-875, for the State and School OPEB funds respectively, assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees to the Board.

Benefits Provided: The State OPEB Fund provides postemployment health benefits (including benefits to qualified beneficiaries of eligible former employees) due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with DCH for inclusion in the plan. Retiree medical eligibility is attained when an employee retires, and is immediately eligible to draw a retirement annuity from one of the State's retirement plans. If elected, dependent coverage starts on the same day as retiree coverage. It also pays administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted. The plan designs offered for the 2022 plan year include various plan options. For Medicare-eligible members there are Medicare Advantage plan options (UnitedHealthcare and Blue Cross and Blue Shield of Georgia) Standard and Premium Plans. Alternatively, for non-Medicare eligible members the plan options include Health Reimbursement Arrangement Plan Options (Blue Cross and Blue Shield of Georgia Gold, Silver, Bronze), Health Maintenance Organization Plan Options (Blue Cross and Blue Shield of Georgia, Kaiser Permanente, and UnitedHealthcare), and a High Deductible Health Plan Option (UnitedHealthcare).

The School OPEB Fund provides postemployment health benefits (including benefits for qualified beneficiaries of eligible former employees) due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies, and non-certified public school employees. Retiree medical eligibility is attained when an employee retires, and is immediately eligible to draw a retirement annuity from one of the State's retirement plans. If elected, dependent coverage starts on the same day as retiree coverage. It also pays administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted. The plan designs offered for the 2022 plan year include various plan options, which are the same options offered for the State OPEB fund as described in the previous paragraph.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Contributions: The State OPEB Fund and School OPEB Fund are currently funded on a pay-as-you-go basis. That is, annual costs of providing benefits will be financed in the same year as claims occur, with historically, no significant assets accumulating, as would occur in an advance funding strategy.

The contribution requirements of plan members and participating employers are established by the Board in accordance with the 2022 Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. As of January 1, 2012, for members with fewer than five years of service, contributions also vary based on years of service. As of January 1, 2012, on average, members with five years or more of service pay approximately 25% of the cost of health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the State provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

The combined required employer contribution rates established by the Board for the active and retiree plans for the fiscal years ended June 30, 2022, were as follows:

Combined Active and State OPEB Fund Contribution Rates as a Percentage of Covered Payroll

State organizations, including technical colleges, and certain other eligible participating employers:

July 2021 - June 2022	29.454%	for August 2021 - July 2022 coverage

Combined Active and School OPEB Fund Contribution Rates per Member per Month

Certificated teachers, librarians, regional educational service agencies, certain other eligible participating employers:

July 2021 - June 2022	$945.00	for August 2021 - July 2022 coverage

Library employees:

July 2021 - June 2022	$843.00	for August 2021 - July 2022 coverage

Non-certificated school personnel:

2021 - June 2022	$945.00	for August 2021 - July 2022 coverage

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

SEAD-OPEB Plan

Plan Description: The SEAD-OPEB Plan is a cost-sharing multiple-employer defined benefit other postemployment plan created by the 2007 Georgia General Assembly to provide term life insurance to eligible members of the ERS, Georgia Judicial Retirement System (JRS), and Legislative Retirement System (LRS). The SEAD-OPEB Plan provides benefits for retired and vested inactive members. Effective July 1, 2009, no newly hired members of any State public retirement system are eligible for term life insurance under the SEAD-OPEB Plan. The SEAD-OPEB Plan is administered by the SEAD Board that is comprised of six members, the State Auditor, State Treasurer, Department of Administrative Services Commissioner, Labor Commissioner, and two members appointed by the Governor. Pursuant to Title 47 of the OCGA, benefit provisions of the plan was established and can be amended by State statute.

Benefits Provided: The SEAD-OPEB Plan provides postemployment insurance coverage on a monthly, renewable term basis, with no return premiums or cash value available to be earned. The amount of insurance for a retiree with creditable service prior to April 1, 1964, is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in lump sum to the beneficiary upon death of the retiree. The net position represents the excess accumulation of investment income and premiums over benefit payments and expenses and is held as a reserve for payment of death benefits under existing policies. Administrative costs for the plan are determined based on the plan's share of overhead costs to accumulate and invest funds, actuarial services, and to process benefit payments to beneficiaries. Administrative fees are financed from the assets of the plan.

Contributions: Contributions by plan members are established by the SEAD Board, up to the maximum allowed by statute (not to exceed 0.5% of earnable compensation). The SEAD Board establishes employer contribution rates, such rates which, when added to members' contributions, shall not exceed 1% of earnable compensation. There were no employer contributions required for fiscal year ended June 30, 2022. Contributions were based on actuarial valuations, and for fiscal year 2022 were as follows:

	SEAD-OPEB Plan
	Percentage
Member Rates:	
ERS Old Plan	0.45 %
Less: Offset Paid by Employer	(0.22%)
Net ERS Old Plan	0.23 %
ERS New Plan, JRS, and LRS	0.23 %
Employer Rates/Amounts	0.00 %

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

D. Plan Membership and Participating Employers

The following table summarizes the participating membership and participating employers at June 30, 2022:

Participating Membership by Plan
June 30, 2022

Plan Membership	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Inactive plan members or beneficiaries currently receiving benefits	38,144	89,388	44,371
Inactive plan members entitled to but not yet receiving benefits	—	—	1,059
Active plan members	46,384	177,415	16,926
Total	**84,528**	**266,803**	**62,356**
Open to New Members (Yes/No)	Yes	Yes	No
Number of Employers	186	253	389

These counts treat each legal entity in the State reporting entity as one employer.

E. Net OPEB Liability/(Asset)

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined. The following schedule is presented from the perspective of the State as the sponsor of the various Plans and summarizes the components of the Net OPEB Liability (NOL)/ Net OPEB Asset (NOA), as of June 30, 2022, by Plan (amounts in thousands):

Components of the Net OPEB Liability/ (Asset)	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Total OPEB Liability	$ 2,250,451	$ 10,554,743	$ 966,698
Plan Fiduciary Net Position	1,801,133	651,562	1,334,285
Net OPEB liability/(asset)	$ 449,318	$ 9,903,181	$ (367,587)
Plan fiduciary net position as a percentage of the total OPEB liability	80.03 %	6.17 %	138.03 %

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

F. Actuarial Methods and Assumptions

For the State OPEB fund and School OPEB fund, the impact of the Affordable Care Act (ACA) was addressed in the valuations. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claim costs. Continued monitoring of the ACA's impact on the Plan's liability will be required. Additionally, the impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Continued monitoring of the COVID-19 impact on the Plan's liability will also be required.

For the SEAD-OPEB Plan, the annual actuarial valuations providing the measures to assess funding progress will utilize the actuarial methods and assumptions last adopted by the SEAD Board based upon the advice and recommendations of the actuary. The SEAD Board will periodically have actuarial projections of the valuation results performed to assess the current and expected future progress towards the overall funding goals of the Plan.

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2022, is based upon the June 30, 2021 actuarial valuation for State OPEB Fund, School OPEB Fund and the SEAD-OPEB Plan, using generally accepted actuarial procedures/techniques.

Actuarial Assumptions

The total OPEB liability, as of June 30, 2022, for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

(chart on next page)

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Actuarial Assumptions

	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Valuation date	6/30/2021	6/30/2021	6/30/2021
Inflation	2.50%	2.50%	2.50%
Salary increases	3.00% - 6.75%*	3.00% - 8.75%*	3.00% - 6.75%*
Long-term expected rate of return [1]	7.00%	7.00%	7.00%
Initial Healthcare Cost Trend			
Pre-Medicare Eligible	6.50%	6.50%	N/A
Medicare Eligible	5.00%	5.00%	N/A
Ultimate Trend Rate			
Pre-Medicare Eligible	4.50%	4.50%	N/A
Medicare Eligible	4.50%	4.50%	N/A
Year Ultimate Trend is Reached			
Pre-Medicare Eligible	2029	2029	N/A
Medicare Eligible	2023	2023	N/A
Mortality	Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.	For TRS: Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Postretirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate. Public School Employees Retirement System (PSERS): Pre-retirement mortality rates were based on the Pub-2010 Below-Median General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Below-Median Annuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Postretirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Below-Median Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale and further adjustments, as follows: service retirees - General Healthy Annuitant Table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively).
Actuarial experience study	7/1/2014 - 6/30/2019	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019

[1] Long-term expected rate of return is net of investment expense, including inflation

*Includes respective inflation assumption.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The actuarial assumptions used in the valuations, for the State and School OPEB funds, are based on the results of the most recent actuarial experience studies which covered the five year period ending June 30, 2019, and June 30, 2018, respectively. Various assumptions and methods have been revised to reflect the results of the TRS experience study for the five-year period ending June 30, 2018. With the exception of the assumed annual rate of inflation which was changed from 2.75% to 2.50% effective with the June 30, 2018 valuation, for School OPEB funds. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation for the State and School OPEB funds were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

The actuarial assumptions used in the valuation for the SEAD-OPEB Plan were based on the results of an actuarial experience study, which covered the five year period ending June 30, 2019. The assumed investment rate of return was lowered from 7.30% to 7.00%, and the assumed annual rate of inflation from 2.75% to 2.50% in the experience study.

Long-Term Expected Rate of Return

For all plans, the long-term expected rate of return on OPEB plan investments were determined using a log-normal distribution analysis, in which 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized by plan in the table below:

	Target Allocation					
	State-OPEB Fund		School-OPEB Fund		SEAD-OPEB Plan	
Asset Class	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed Income	30.0 %	2.0%	30.0 %	2.0%	30.0 %	0.2%
Domestic large equities	70.0 %	9.4 %	70.0 %	9.4 %	46.3 %	9.4 %
Domestic small equities	—	—	—	—	1.2 %	13.4 %
International developed market equities	—	—	—	—	12.3 %	9.4 %
International emerging market equities	—	—	—	—	5.2 %	11.4 %
Alternatives	—	—	—	—	5.0 %	10.5 %
Total	**100.0 %**		**100.0 %**		**100.0 %**	

* Rates shown are net of the respective assumed rates of inflation.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Discount Rate

In order to measure the total OPEB liability, as of June 30, 2022, for the State OPEB fund, a single equivalent rate of 7.00% was used as the discount rate, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Based on those assumptions, the 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2120.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 3.57% was used as the discount rate, as compared with last year's rate of 2.20%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (3.54% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2128.

The discount rate used to measure the total OPEB liability for the SEAD-OPEB Plan was 7.00%, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that plan member insurance premiums will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following schedule summarizes the NOL/(NOA) of the employers, as of June 30, 2022. The NOL/(NOA) is calculated using the determined discount rate as well as what the NOL/(NOA) 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 by the Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability/(Asset) to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
State's Net OPEB Liability	$ 660,084	$ 449,318	$ 267,146
	(2.57%)	(3.57%)	(4.57%)
School's Net OPEB Liability	$ 11,201,688	$ 9,903,181	$ 8,802,641
	(6.00%)	(7.00%)	(8.00%)
SEAD-OPEB Plan's Net OPEB (Asset)	$ (237,270)	$ (367,587)	$ (474,309)

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trends

The following schedule summarizes the NOL/(NOA) of the employers, as of June 30, 2022. The NOL/(NOA) is calculated using the determined healthcare cost trends as well as what the NOL/(NOA) would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher than the current rate by the Plan (amounts in thousands):

**Sensitivity of the Plan Participating Employer Contributing Entities
Net OPEB Liability/(Asset) to Changes in Healthcare Cost Trends**

	1% Decrease	Current Rate	1% Increase
State's Net OPEB Liability	$ 236,745	$ 449,318	$ 698,389
School's Net OPEB Liability	$ 8,532,775	$ 9,903,181	$ 11,587,406
SEAD-OPEB Plan's Net (Asset)	N/A	N/A	N/A

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The following information is from the perspective of the State as the employer.

G. State's Proportionate Share of OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The State reported a liability as the Employer for its proportionate share of the NOL associated with the plans listed below.

The following schedule is presented from the perspective of the State as the Employer details the proportionate share of the OPEB amounts for each plan as of June 30, 2022 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	Primary Government	Component Units
OPEB liabilities	$ 251,350	$ 72,394
OPEB assets	$ 552,364	$ 6,444
Deferred outflows of resources related to OPEBs	$ 245,323	$ 27,482
Deferred inflows of resources related to OPEBs	$ 1,283,787	$ 49,835
OPEB expense/expenditures	$ (656,772)	$ (810)

The information below includes all multi-employer plans and funds administered by the State of Georgia.

The NOL/NOA for each plan was measured as of June 30, 2021. The total OPEB liability/asset used to calculate the NOL/NOA for each plan was based on an actuarial valuation as of June 30, 2020 for State, School, and SEAD.

<u>State OPEB Fund</u>

State's Proportionate Share of Net OPEB Liability and OPEB Expense

Primary Government: At June 30, 2022, the State reported a liability of $0.3 billion for it's proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2021. The State's proportion of the net OPEB liability was based on the State’s proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2021, the State’s proportion for the State plan as employer was 91.448130%, which was a decrease of 0.690760% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized OPEB expense of $ (564.7) million.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Component Units: At June 30, 2022, the State reported a liability of $0.5 million, for it's proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2021. The State's proportion of the net OPEB liability was based on the State's proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2021, the State's proportion for the State plan as Employer was 0.174130%, which was a decrease of 0.022106% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized OPEB expense of $(1.3) million.

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Primary Government		Component Units	
	State as Employer		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ —	$ 676,781	$ —	$ 1,289
Changes of assumptions	12,989	264,966	25	505
Net difference between projected and actual earnings on OPEB plan investments	—	43,939	—	84
Changes in proportion and differences between State contributions and proportionate share of contributions	82,529	91,428	122	408
State contributions subsequent to the measurement date	146,304	—	265	—
Total	**$ 241,822**	**$ 1,077,114**	**$ 412**	**$ 2,286**

Primary Government: State contributions as employer subsequent to the measurement date of $146.3 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2023.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Component Units: State contributions as employer subsequent to the measurement date of $0.3 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

	Primary Government	Component Units
Year ended June 30:	**State as Employer**	**State as Employer**
2023	$ (481,186)	$ (1,154)
2024	(259,869)	(639)
2025	(170,028)	(426)
2026	(70,513)	80
2027	—	—
Thereafter	—	—

<u>**School OPEB Fund**</u>

State's Proportionate Share of Net OPEB Liability and OPEB Expense

Component Units: At June 30, 2022, the State reported a liability of $71.9 million, for it's proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2021. The State's proportion of the net OPEB liability was based on the State’s proportion of the prior year contributions received by the OPEB plan relative to the contributions for all participants in the plan. At June 30, 2021, the State’s proportion for the School plan as Employer was 0.663981% which was a decrease of 0.020521% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized OPEB expense of $1.5 million.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Component Units	
	State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ —	$ 32,836
Changes of assumptions	13,169	5,868
Net difference between projected and actual earnings on OPEB plan investments	—	114
Changes in proportion and differences between State contributions and proportionate share of contributions	11,260	6,220
State contributions subsequent to the measurement date	2,299	—
Total	**$ 26,728**	**$ 45,038**

Component Units: State contributions as employer subsequent to the measurement date of $2.3 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

	Component Units
Year ended June 30:	**State as Employer**
2023	$ (4,748)
2024	(4,375)
2025	(3,307)
2026	(2,549)
2027	(5,630)
Thereafter	—

State Employees' Assurance Department (SEAD-OPEB Plan)

State's Proportionate Share of Net OPEB Asset and OPEB Expense

Primary Government: At June 30, 2022, the State reported an asset of $552.4 million, for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2021. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2021. The State's proportion of the net OPEB asset was based on the State's proportion of the prior year payroll of SEAD members. At June 30, 2021, the State's proportion for

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

the SEAD plan as Employer was 89.694827%, which was an increase of 0.024871% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized OPEB expense of $(92.1) million.

Component Units: At June 30, 2022, the State reported an asset of $6.4 million, for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2021. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2020, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2021. The State's proportion of the net OPEB asset was based on the State's proportion of the prior year payroll of SEAD members. At June 30, 2021, the State's proportion for the SEAD plan as Employer was 1.056297%, which was a decrease of 0.144399% from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the State recognized OPEB expense of $(0.9) million.

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	Primary Government		Component Units	
	State as Employer		State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ —	$ 1,648	$ —	$ 19
Changes of assumptions	—	17,219	—	201
Net difference between projected and actual earnings on OPEB plan investments	—	184,322	—	2,150
Changes in proportion and differences between State contributions and proportionate share of contributions	3,501	3,484	342	141
State contributions subsequent to the measurement date	—	—	—	—
Total	$ 3,501	$ 206,673	$ 342	$ 2,511

There were no State contributions as employer subsequent to the measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

	Primary Government	Component Units
Year ended June 30:	State as Employer	State as Employer
2023	$ (64,160)	$ (572)
2024	(45,298)	(514)
2025	(44,768)	(527)
2026	(48,946)	(556)
2027	—	—
Thereafter	—	—

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

H. Actuarial Methods and Assumptions (GASB 75)

The total OPEB liability for each plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

Actuarial Assumptions

	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Valuation date	6/30/2020	6/30/2020	6/30/2020
Inflation	2.50%	2.50%	2.50%
Salary increases	3.00% - 6.75%*	3.00% - 8.75%*	3.00% - 6.75%*
Long-term expected rate of return [1]	7.00%	7.00%	7.00%
Initial Healthcare Cost Trend			
Pre-Medicare Eligible	6.75%	6.75%	N/A
Medicare Eligible	5.13%	5.13%	N/A
Ultimate Trend Rate			
Pre-Medicare Eligible	4.50%	4.50%	N/A
Medicare Eligible	4.50%	4.50%	N/A
Year Ultimate Trend is Reached			
Pre-Medicare Eligible	2029	2029	N/A
Medicare Eligible	2023	2023	N/A
Mortality	Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirement were based on the Pub-2010 General Healthy Annuitant Mortality Tables (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 158% for females) with the MP-2019 Projection scales applied generationally	For Teachers Retirement System of Georgia (TRS): Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate. For Public School Employees Retirement System (PSERS): Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 158% for females) with the MP-2019 Projection scale applied generationally.	The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Post-retirement mortality rates for were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees - General Healthy Annuitant mortality table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees - General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries - General Contingent Survivors Table (set forward two years for both males and females and adjusted 106% and 105% respectively).
Actuarial Experience Study	7/1/2014 - 6/30/2019	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019

[1] Long-term expected rate of return is net of investment expense, including inflation

*Includes respective inflation assumption.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The actuarial assumptions used in the valuations, for the State and School OPEB funds, are based on the results of the most recent actuarial experience studies, which covered the last five year period ending June 30, 2019, and June 30, 2018, respectively. Various assumptions and methods have been revised to reflect the results of the TRS experience study for the five-year period ending June 30, 2018. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rates of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation for the State and School OPEB funds were based on a review of the recent plan experience done concurrently with the June 30, 2020 valuation.

The actuarial assumptions used in the valuation for the SEAD-OPEB Plan were based on the results of an actuarial experience study, which covered the five year period ending June 30, 2019. Based on the funding policy adopted by the Board, the assumed investment rate of return was lowered from 7.30% to 7.00%. Also, the assumed annual rate of inflation was lowered from 2.75% to 2.50%.

Long-Term Expected Rate of Return

For all plans, the long-term expected rate of return on OPEB plan investments were determined using a log-normal distribution analysis, in which 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

	Target Allocation					
	State-OPEB Fund		School-OPEB Fund		SEAD-OPEB Plan	
Asset Class	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed Income	30.0 %	0.1%	30.0 %	0.1%	30.0 %	(1.5%)
Domestic large equities	70.0 %	9.2 %	70.0 %	9.2 %	46.4 %	9.2 %
Domestic small equities	—	—	—	—	1.1 %	13.4 %
International developed market equities	—	—	—	—	11.7 %	9.2 %
International emerging market equities	—	—	—	—	5.8 %	10.4 %
Alternatives	—	—	—	—	5.0 %	10.6 %
Total	**100.0 %**		**100.0 %**		**100.0 %**	

* Rates shown are net of the respective assumed rates of inflation.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Discount Rate

In order to measure the total OPEB liability for the State OPEB, a single equivalent rate of 7.00% was used as the discount rate, as compared with last year's discount rate of 7.06%. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2145.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest of 2.20% was used as the discount rate, as compared with the prior measurement period date rate of 2.22%. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (2.16% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in head count. Projected future benefit payments for all current plan members were projected through 2145.

The discount rate used to measure the total OPEB liability for the SEAD-OPEB plan was 7.00%, as compared with last year's discount rate of 7.30%. The projection of cash flow used to determine the discount rate assumed that plan member insurance premiums will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the State's proportionate share of the NOL/(NOA) to changes in the discount rate

The following schedule is presented from the perspective of the State as the employer details the State's proportionate share of the NOL/(NOA) calculated using the discount rate detailed below, as well as what the State's proportionate share of the NOL/(NOA) 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 (amounts in thousands):

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

	Primary Government			Component Units		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
State's Net OPEB Liability	$ 442,321	$ 251,350	$ 86,313	$ 842	$ 479	$ 164
	(1.20%)	(2.20%)	(3.20%)	(1.20%)	(2.20%)	(3.20%)
School's Net OPEB Liability	$ —	$ —	$ —	$ 82,215	$ 71,915	$ 63,293
	(6.00%)	(7.00%)	(8.00%)	(6.00%)	(7.00%)	(8.00%)
SEAD Plan's Net OPEB (Asset)	$ (434,430)	$ (552,364)	$ (648,661)	$ (5,116)	$ (6,444)	$ (7,639)

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Sensitivity of the State's proportionate share of the NOL/(NOA) to changes in the Healthcare Cost Trends

The following schedule is presented from the perspective of the State as the employer details the State's proportionate share of the NOL/(NOA) calculated using the discount rate detailed below, as well as what the State's proportionate share of the NOL/(NOA) 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 (amounts in thousands):

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trends

	Primary Government			Component Units		
	1% Decrease	Current Rate	1% Increase	1% Decrease	Current Rate	1% Increase
State's Net OPEB Liability	$ 58,676	$ 251,350	$ 477,279	$ 112	$ 479	$ 909
School's Net OPEB Liability	$ —	$ —	$ —	$ 61,022	$ 71,915	$ 85,531
SEAD Plan's Net OPEB (Asset)	N/A	N/A	N/A	N/A	N/A	N/A

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS

The State administers various single-employer other postemployment benefit (OPEB) plans. The State is the plan sponsor (Plan) of these plans and in many cases the participating employer (Employer). The notes to the financial statements and required supplementary information that follow are presented from the perspective of the State as Plan sponsor and the State as Employer.

The State's significant single-employer OPEB plan is:

- Board of Regents Retiree Health Benefit Fund (Regents Plan), which is administered by the Board of Regents of the University System of Georgia (Board of Regents) (www.usg.edu/regents)

Each of these plans issue separate publicly available financial reports that include the applicable financial statements and required supplementary information.

There are other single-employer OPEB plans deemed to be not significant, in which the related OPEB activities are presented in the Component Unit financial statements of this report. However, these other plans are not included in the notes to the financial statements and required supplementary information, as follows:

- Augusta University (AU) Medical Associates Retiree Plan (www.usg.edu/regents)
- Georgia Ports Authority Retiree Medical and Dental Plan (www.gaports.com)
- Georgia World Congress Center Authority Post-Employment Health Benefit Plan (www.gwcca.org)
- Georgia Public Telecommunications Commission Post-Employment Health Benefits Plan (www.gpb.org)

A. Basis of Accounting

The financial statements of this plan are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions from the employer are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The OPEB plan's fiduciary net position has been determined on the same basis as reported by the plan.

B. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, for the Regents Plan was (11.15)%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The Regents Plan has an investment policy regarding the allocation of invested assets. The assets are invested in the Board of Regents' Balanced Income pooled investment fund, which is not subject to state regulations concerning investments. Plan assets are managed on a total return basis with a short-term objective of achieving the highest quality per stable and a long-term objective of a more conservative investment strategy.

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The following table summarizes the adopted asset allocation policy by plan at June 30, 2022:

Asset Class	Target Allocation
Fixed Income	70.0 %
Equities	30.0 %
Total	**100.0 %**

C. Plan Description and Funding Policy

Regents Plan

Plan Description: The Regents Plan is a single-employer, defined benefit, postemployment healthcare plan administered by the University System Office, an organizational unit of the University System of Georgia (USG). The Regents Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree postemployment health insurance benefits. The Plan is administered by the Board of Regents that is comprised of 19 members, all appointed by the Governor (five from state-at-large and one from each of the State's 14 congressional districts). Benefit provisions of the plans were established and can be amended by the Board of Regents.

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

Contributions: The contribution requirements of plan members and the employer are established and may be amended by the Board of Regents. The Regents 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 of Regents designation. Organizational units of the USG pay the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board of Regents for the upcoming plan year. For the 2022 plan year, the employer rate was approximately 88% of the total health insurance cost for eligible retirees, and the retiree rate was approximately 12%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to year of service, which ranges from 0% to 100%. 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 ended June 30, 2022, the USG contributed approximately $146.3 million to the plan for current premiums or claims.

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

D. Plan Membership and Participating Employers

The following table summarizes the participating membership and participating employers, for the Regents Plan at June 30, 2022:

Plan Membership	June 30, 2022	June 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	21,779	21,300
Inactive plan members entitled to but not yet receiving benefits	—	—
Active plan members	45,506	46,365
Total	**67,285**	**67,665**
Open to New Members (Yes/No)	Yes	Yes
Number of Employers	1	1

This count treats each legal entity in the State reporting entity as one employer.

E. Net OPEB Liability of Participating Employers

Net OPEB Liability

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined. The following schedule is presented from the perspective of the State as the sponsor of the Regents Plan and summarizes the components of the Net OPEB Liability (NOL) of the employer, as of June 30, 2022 (amounts in thousands):

Components of the Net OPEB Liability		
Total OPEB Liability	$	4,173,225
Plan Fiduciary Net Position		211,904
Net OPEB liability	$	3,961,321
Plan fiduciary net position as a percentage of the total OPEB liability		5.08 %

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

F. Actuarial Methods and Assumptions

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2022, is based upon May 1, 2022 actuarial valuation for the Regents Plan, using generally accepted actuarial procedures/techniques. Update procedures were used to roll forward the total OPEB liability to June 30, 2022.

Actuarial Assumptions

The total OPEB liability for the Regents Plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date:

Valuation date	May 1, 2022
Inflation	2.40%
Salary increases	3.75%
Long-term expected rate of return [1]	4.36%
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.00%
Medicare Eligible	4.00%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.00%
Year Ultimate Trend is Reached	
Pre-Medicare Eligible	2034
Medicare Eligible	2022
Mortality	Pub-2010 for Teachers headcount weighted projected with scale MP-2021.
Actuarial experience study	
Economic and demographic assumptions	7/1/2016 - 6/30/2019
Disability and Salary Increases assumptions	7/1/2013 - 6/30/2018

[1] Long-term expected rate of return is net of investment expense, including inflation

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019, with the exception of the disability and salary increase assumption. These actuarial assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five-year period ending June 30, 2018.

Long-Term Expected Rate of Return

For the Regents Plan, the long-term expected rate of return on OPEB plan investments were determined using a building-block method in which 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.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table below:

Asset Class	Target allocation	Long-term expected real rate of return*
Fixed Income	70.0 %	0.34 %
Equity Allocation	30.0 %	4.03 %
Total	100.0 %	1.91 %

* Rates shown are net of the 2.40% assumed rate inflation.

Discount Rate

In order to measure the total OPEB liability for the Regents Plan, as of June 30, 2022, a yield or index rate of 3.54% was used as the discount rate, as compared with last year's single equivalent interest rate of 2.18%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.54% per the Bond Buyers Index). Assumed contributions are based on the contribution policy, and projected total contributions are the pay as you go costs of the plan. The current contribution policy is not designed to pre-fund the plan, and the unfunded liability is not expected to be paid off at any point in the future. Projected future benefit payments for all current plan members were projected through 2119.

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following schedule summarizes the NOL, as of June 30, 2022, of the employer. The NOL is calculated using the determined discount rate as well as what the NOL 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 by the Regents Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	2.54%	3.54%	4.54%
Regents OPEB Liability	$ 4,705,630	$ 3,961,322	$ 3,375,506

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trends

The following schedule summarizes the NOL of the employer, as of June 30, 2022. The NOL is calculated using the determined healthcare cost trends as well as what the NOL would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher than the current rate by the Regents Plan (amounts in thousands):

Sensitivity of the Plan Participating Employer Contributing Entities Net OPEB Liability to Changes in Healthcare Cost Trends

	1% Decrease	Current Rate	1% Increase
Regents OPEB Liability	$ 3,399,206	$ 3,961,322	$ 4,683,167

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The following information is from the perspective of the State as the employer.

G. State's Proportionate Share of OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The State reported a liability as the Employer for its proportionate share of the NOL associated with the plans listed below.

The following schedule is presented from the perspective of the State as the Employer details the proportionate share of the OPEB amounts for each plan as of June 30, 2022 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	Primary Government	Component Units
OPEB liabilities	$ 5,033,081	$ 43,763
Deferred outflows of resources related to OPEBs	$ 832,440	$ 14,859
Deferred inflows of resources related to OPEBs	$ 723,865	$ 27,835
OPEB expense/expenditures	$ 211,634	$ 3,485

The information below includes all significant plans and funds administered by the State of Georgia.

The NOL for the Regents Plan was measured as of June 30, 2021. The total OPEB liability used to calculate the NOL was based on an actuarial valuation as of May 1, 2021.

Regents Plan

State's Proportionate Share of Net OPEB Liability and OPEB Expense

Primary Government: At June 30, 2022, the State reported a net OPEB liability of $5.0 billion, for the Regents Plan. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2021, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2021. The net OPEB liability was based on contributions during the fiscal year ended June 30, 2021. For the year ended June 30, 2022, the State recognized OPEB expense of $211.6 million.

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

State's Proportionate Share of Deferred Outflows/Inflows of Resources

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to the Regents Plan from the following sources (amounts in thousands):

	Primary Government	
	State as Employer	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 270,974	$ 17,219
Changes of assumptions	415,123	694,165
Net difference between projected and actual earnings on OPEB plan investments	—	12,481
State contributions subsequent to the measurement date	146,343	—
Total	**$ 832,440**	**$ 723,865**

Primary Government: State contributions as Employer subsequent to the measurement date of $146.3 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts in thousands):

	Primary Government
Year ended June 30:	**State as Employer**
2023	$ (66,393)
2024	(30,800)
2025	(29,066)
2026	(23,492)
2027	62,353
Thereafter	49,630

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

Changes in the Net OPEB Liability

For single-employer, defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 75 requires a schedule of the changes in the net OPEB liability, for the current reporting period. The following schedule is presented from the perspective of the State as the Employer of the Regents Plan and summarizes the changes the Net OPEB Liability (NOL) of the employer (amounts in thousands):

Total OPEB liability:		
Service cost	$	161,299
Interest		123,861
Benefit changes		—
Differences between expected and actual experience		89,218
Changes of assumptions		(538,325)
Benefit payments/refunds		(101,370)
Net change in total OPEB liability		(265,317)
Total OPEB liability-beginning		5,493,697
Total OPEB liability-ending (a)		5,228,380
Plan fiduciary net position:		
Contributions-employer		117,381
Net investment income		20,259
Benefit payments/refunds		(101,370)
Administrative expense		(949)
Net change in plan fiduciary net position		35,321
Plan fiduciary net position-beginning		159,978
Plan fiduciary net position-ending (b)		195,299
Net OPEB liability-ending (a)-(b)	$	5,033,081

H. Actuarial Methods and Assumptions (GASB 75)

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

Actuarial Valuation Date

The total OPEB liability at June 30, 2021, is based upon the actuarial valuation for May 1, 2021 for the Regents Plan, using generally accepted actuarial procedures/techniques. Update procedures were used to roll forward the total OPEB liability to June 30, 2021

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NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

Actuarial Assumptions

The total OPEB liability for the Regents Plan was determined by an actuarial valuation date indicated in the table below using the following actuarial assumptions:

Valuation date	5/1/2021
Inflation	2.10%
Salary increases	3.75%
Long-term expected rate of return [1]	4.37%
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	6.40%
Medicare Eligible	4.00%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.00%
Year Ultimate Trend is Reached	
Pre-Medicare Eligible	2031
Medicare Eligible	2021
Mortality	Healthy: Pub-2010 for Teacher headcount weighted project with scale MP-2020
Actuarial experience study	
Economic and demographic assumptions	7/1/2016 - 6/30/2019
All other assumptions	7/1/2013 - 6/30/2018

[1] Long-term expected rate of return is net of investment expense, including inflation

The 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 Teacher's Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Long-Term Expected Rate of Return

For the Regents Plan, the long-term expected rate of return on OPEB plan investments was determined using a building-block method, in which 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.

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table below:

Asset Class	Target allocation	Long-term expected real expected rate of return*
Fixed Income	70%	0.69 %
Equity Allocation	30%	4.21 %
Total	100.0 %	2.22 %

* Rates shown are net of the 2.10% assumed rate of inflation.

Discount Rate

In order to measure the total OPEB liability for the Regents Plan, as of June 30, 2021, a single equivalent interest rate of 2.18% was used as the discount rate, as compared with last year's yield or index rate of 2.21%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher (2.16% per the Bond Buyers Index). Assumed contributions are based on the contribution policy, and projected total contributions are the pay as you go costs of the plan. The current contribution policy is not designed to pre-fund the plan, and the unfunded liability is not expected to be paid off at any point in the future. Projected future benefit payments for all current plan members were projected through 2119.

Sensitivity of the State’s proportionate share of the NOL to changes in the Discount Rate

The following schedule is presented from the perspective of the State as the Employer and details the State’s proportionate share of the NOL, as of June 30, 2021. The NOL was calculated using the discount rate detailed below, as well as what the State’s proportionate share of the NOL 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 (amounts in thousands):

Sensitivity of the Employer Net OPEB Liability to Changes in the Discount Rate

	1% Decrease	Current Rate	1% Increase
	(1.18%)	(2.18%)	(3.18%)
Regents Net OPEB Liability	$ 6,092,171	$ 5,033,081	$ 4,216,366

Sensitivity of the State’s proportionate share of the NOL to changes in Healthcare Cost Trends

The following schedule is presented from the perspective of the State as the Employer and details the State’s proportionate share of the NOL, as of June 30, 2021. The NOL was calculated using the healthcare cost trends detailed below, as well as what the State’s proportionate share of the NOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in thousands):

Sensitivity of the Employer Net OPEB Liability to Changes in the Health Care Cost Trends

	1% Decrease	Current Rate	1% Increase
Regents Net OPEB Liability	$ 4,246,884	$ 5,033,081	$ 6,067,992

NOTE 18 - RISK MANAGEMENT

A. Public Entity Risk Pool

The Department of Community Health (DCH) administers the State Health Benefit Plan (SHBP) for the State. Under OCGA § 45-18-2, the DCH Board has the authority to establish a health insurance plan; provide rules and regulations; and general provisions of the plan. The plan is comprised of three health insurance plans: (1) a plan primarily for State employees OCGA § 45-18-2, (2) a plan for teachers OCGA § 20-2-881, and (3) a plan for non-certificated public school employees OCGA § 20-2-911. The SHBP acts as the plan administrator for approximately 450 organizations (state, county and local educational agencies) and provides health coverage to more than 0.6 million employees, teachers, retirees and their dependents. All employees become members of the plan unless coverage is rejected or waived. An employee may withdraw from the plan if they become eligible for coverage under the aged program of the Social Security Administration OCGA § 45-18-17. SHBP accepts all of the risk of insuring its employees.

SHBP is accounted for on the accrual basis. Claim liabilities are based on estimates for claims that have been incurred, but not reported. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimates of liabilities for incurred, (both reported and unreported) but unpaid are actuarially determined based on estimates of the ultimate cost of settling claims, using past experience adjusted for current trends and any other factors that would modify past experience. Because actual claim liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claim liabilities may not result in an exact amount. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

SHBP’s general objectives as required under Georgia Compensation Rules & Regulations OCGA § 111-4-1 are to collect enrollment information from covered employer groups, collect health premiums and employer contributions, and provide management and planning of health benefits.

DCH utilizes third party administrators to process Medicaid, PeachCare, and State employee health benefit claims. Agreements between individual administrators and DCH are for the processing of specific claim types. If an administrator was unable to continue processing claims for DCH under such an agreement, the DCH's ability to adjudicate such claims in the short-term could be threatened.

The following table provides information about the changes in the reported claims liabilities for the past two years (amounts in thousands):

(Table on next page)

NOTE 18 - RISK MANAGEMENT (continued)

	Public Entity Risk Pool	
	Fiscal Year Ended 6/30/2022	Fiscal Year Ended 6/30/2021
Unpaid Claims and Claim Adjustments July 1	**$ 251,651**	**$ 230,898**
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current fiscal year	3,404,563	3,109,758
Decrease in provision for insured events of the prior fiscal year	(50,602)	(52,400)
Total incurred claims and claim adjustment expenses	3,353,961	3,057,358
Payments:		
Claims and claim adjustment attributable to insured events of the current year	(3,040,861)	(2,858,424)
Claims and claim adjustment attributable to insured events of the prior year	(197,231)	(178,181)
Total Payments	(3,238,092)	(3,036,605)
Total Unpaid Claims and Claim Adjustments June 30	**$ 367,520**	**$ 251,651**

B. Board of Regents Employee Health Benefits Plan

The University System of Georgia (USG) maintains a program of health benefits for its employees and retirees. This plan is funded jointly through premiums paid by participants covered under the plan and employer contributions paid by the Board of Regents (BOR) and its organizational units. A self–insured program of professional liability for its employees was established by the BOR of the USG under powers authorized by the OCGA § 45-9-1. All units of the USG share the risk of loss for claims of the plan.

The following table represents changes in the balances of claims liabilities for the past two years (amounts in thousands):

	Board of Regents Employee Health Benefits Plan	
	Fiscal Year Ended 6/30/2022	Fiscal Year Ended 6/30/2021
Unpaid Claims and Claim Adjustments July 1	**$ 36,328**	**$ 46,894**
Current Year Claims and Changes in Estimates	444,672	416,897
Claims Payments	(438,180)	(427,463)
Unpaid Claims and Claim Adjustments June 30	**$ 42,820**	**$ 36,328**

NOTE 18 - RISK MANAGEMENT (continued)

C. Other Risk Management

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' and teachers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

The BOR 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.

Charges by the workers' compensation risk management fund and the liability insurance risk management fund to other funds have failed to recover the full cost of claims over a reasonable period of time. Therefore, the unadjusted deficit at June 30, 2022, of $928.8 million both for workers' compensation and liability was charged back to the contributing funds. Expenditures of $562.0 million are reported in the General Fund, and expenses of $253.7 million are reported in the Higher Education Fund (enterprise fund) relating to this charge-back.

The following table represents changes in the balances of claims liabilities for the past two years (amounts in thousands):

	Risk Management Fund	
	Fiscal Year Ended 6/30/2022	Fiscal Year Ended 6/30/2021
Unpaid Claims and Claim Adjustments July 1 (restated)	**$ 1,034,656**	**$ 1,023,636**
Current Year Claims and Changes in Estimates	234,310	166,976
Claims Payments	(196,659)	(155,956)
Unpaid Claims and Claim Adjustments June 30	**$ 1,072,307**	**$ 1,034,656**

NOTE 19 - TAX ABATEMENT

As of June 30, 2022, the State had three tax abatement programs, the Mega Project Tax Credit, the Tourism Development Act, and Projects that were designated as a Competitive Project of Regional Significance. However, given the limited number of recipients under each of these programs, the State is legally prohibited from disclosing detailed information relating to the tax abatement programs and amounts abated.

A. Tax Abatement Programs

Mega Project Tax Credit

The Mega Project Tax Credit provides tax abatements to encourage job creation under Official Code of Georgia OCGA § 48-7-40.24. This abatement is obtained through application by the business enterprise and certification by a panel composed of the commissioner of Community Affairs, the commissioner of Economic Development, and the director of the Office of Planning and Budget. In order to receive the tax abatements projects must create a certain level of new full-time employee jobs with average wages above a percentage of average wage projects within the county, and meet other requirements. The tax abatement equals $5,250 per new eligible full-time employee job for five years beginning with the year in which such job is created through year five after such creation; provided, however, that where the amount of such credit exceeds a business enterprise's liability for such taxes in a taxable year, the excess may be taken as a credit against such business enterprise's quarterly or monthly tax payment. Additionally, there are various recapture provisions such as forfeiting the right to the claim or a percentage of the credit, with allowances for relief from recapture based on certain major events.

Tourism Development Act

The Tourism Development Act provides tax abatements to encourage the creation of tourism attractions or expansion of existing tourism attractions under OCGA § 48-8-270. This abatement is obtained through the discretion of the commissioner of Economic Development and the commissioner of Community Affairs, in consideration of the execution of the agreement and subject to the approved company's compliance with the terms of the agreement. The term of the agreement granting the tax abatement (sales and use tax refund for new projects or an incremental sales and use tax refund for expansions of existing tourism attractions) is ten years, commencing on the date the tourism attraction opens for business and begins to collect sales and use taxes or for an expansion, the date construction is complete. Additionally, there are various recapture provisions if an approved company fails to abide by the terms of the agreement, such as voiding of the agreement and all sales and use tax proceeds that were refunded shall become immediately due and payable back to the State.

Competitive Project of Regional Significance

The Competitive Project of Regional Significance designation provides tax abatements to a business enterprise whose location or expansion of some or all of the operations in this state would have a significant regional impact under OCGA § 48-8-3(93)(D). This abatement is obtained in accordance with the regulations promulgated by the commissioner of Economic Development. The tax abatement indicates that sales and use taxes levied by or imposed by the State shall not apply to sales of personal property used for and in the construction of these designated projects.

B. Legal Prohibition

The State is legally prohibited from providing more detailed information relating to the tax abatement programs and amounts abated. The restrictions relating to reporting of confidential income tax information and other tax types are generally covered under OCGA § 48-7-60 and § 48-2-15, respectively.

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS

A. Grants and Contracts

The amounts received or receivable from grantor agencies are subject to audit and review by grantor agencies, including CARES Act funds related to COVID-19 pandemic, principally the federal government. This could result in a request for reimbursement by the grantor agency for any expenditures which are disallowed under grant terms.

B. Litigation and Contingencies

The State is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine governmental operations. The ultimate disposition of these proceedings is not presently determinable. However, it is not believed that the ultimate disposition of these proceedings would have a material adverse effect on the financial condition of the State. The following are significant active litigation, claims and assessments involving the State:

Primary Government

CSX Transportation v. David M. Curry, Commissioner, Georgia Department of Revenue, Ga. Tax Tribunal Docket Nos. 1622264, 1645680, 1733834, 1914964, and 2229506. CSX filed multiple appeals of constructive denials of refunds for sales and use tax imposed on diesel fuel starting in 2013. DOR did not act on the refund claims due to the pendency of litigation on a comparable issue in the U.S. Supreme Court against the state of Alabama. The issue is whether the sales and use tax imposed on diesel fuel purchased by rail carriers violates Section 306 of the Railroad Revitalization and Regulatory Reform Act of 1976 (the "4-R Act"), prohibiting discriminatory treatment of rail carriers. CSX contends that the application of a four percent (4%) sales tax rate to its purchase of diesel fuel violates Section 306 of the 4-R Act because motor carriers are subject to state and local taxes but are exempt from the first three percent (3%) of the four percent (4%) sales tax rate under O.C.G.A. § 48-8-31, and because interstate water carriers are exempt from sales and use tax under O.C.G.A. § 48-8-3(17). The total of the sales and use tax refunds claimed by CSX for tax periods October 2010 through July 2019 is approximately $65,000,000. The Georgia Tax Tribunal cases were stayed pending the outcome of litigation in Alabama, CSX Trans., Inc. v. Alabama Dep't of Revenue, Case No. 17-11705-G. The Eleventh Circuit ruled in CSX Transp., Inc. v. Ala. Dep't of Revenue, 888 F.3d 1163 (11th Cir. 2018) that Alabama's sales and use tax did not discriminate against railroads when compared to motor carriers but did discriminate against railroads when compared to water carriers. Alabama and CSX filed petitions for certiorari to the U.S. Supreme Court which denied the petitions on June 24, 2019. Therefore, the Eleventh Circuit's decision was affirmed, and the case was remanded to the District Court in Alabama to conclude proceedings. The District Court issued a final judgment in favor of CSX in Alabama in 2019 and a District Court ruled in favor of the smaller railroad carriers there in 2021 on the same grounds. At this stage of litigation, it is impracticable to render an opinion about whether the likelihood of an unfavorable outcome is either "probable" or "remote"; however, the State believes it has meritorious defenses and is vigorously defending this action.

.*Baldwin County v. Department of Behavioral Health and Developmental Disabilities and DBHDD Commissioner Judy Fitzgerald, in her official capacity*, Fulton County Superior Court Civil Action Number 2021CV356515, July 15, 2021. Baldwin County seeks contract damages, or, in the alternative, specific performance of an Intergovernmental Agreement between the parties which the Department of Behavioral Health and Developmental Disabilities ("DBHDD") terminated in September 2020. The dispute stems from an Intergovernmental Agreement between Baldwin County and the Georgia Department of Human Resources ("DHR") for fire protection services and other services to be performed at the Central State Hospital Campus in

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

Milledgeville, Georgia (the "Agreement"). The Agreement went into effect in April 1999 and has a term of fifty years. Prior to the Agreement, the State provided dedicated fire protection services at Central State Hospital using State personnel and equipment. The Agreement provided that Baldwin County would employ the same personnel, purchase the equipment, and provide the same services between April 1999 and April 2049. In exchange, DHR would pay $550,000 annually to Baldwin County with a variable cost of living adjustment added every five years. In 2009, DBHDD took over contract responsibility for DHR and continued payments under the terms of the Agreement. In September 2020, DBHDD provided notice to Baldwin County that it was terminating the Agreement.

Baldwin County filed a complaint in the Fulton County Superior Court on July 15, 2021 seeking, among other things, contract damages for past and future services provided and attorneys' fees. Baldwin County asserts that it is or will be entitled to approximately $22 million dollars in damages for the remaining duration of the Agreement.

On December 20, 2021, Baldwin County moved for partial summary judgment on the question of whether there was a contract between the parties and whether that contract had been breached. That matter is fully briefed. DBHDD also moved to dismiss the claims alleging that the Agreement is not valid and violates the gratuities clause, that the request for injunctive relief is barred by sovereign immunity, and that mandamus is not appropriate because other relief is available. That matter also is fully briefed and was heard on October 14, 2022. The parties have exchanged limited written discovery and conducted environmental and structural inspections of the buildings. The trial court has stayed further discovery pending the outcome of DBHDD's motion to dismiss. At this stage of litigation, it is impracticable to render an opinion about whether the likelihood of an unfavorable outcome is either "probable" or "remote"; however, the State believes it has meritorious defenses and is vigorously defending this action.

Following an onsite review in 2014 of Georgia's nursing facility funding arrangements by the United States Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS), CMS issued a draft report in December 2014 which summarily stated that a portion of funding used for the State share of the UPL payments was transferred to DCH from private companies and that UPL payments were made to 34 private nursing facilities in violation of federal law and the State's Medicaid Plan. CMS instructed Georgia to return all federal funds made to the 34 facilities from SFY 2010 to present day. DCH responded to CMS in February 2015, arguing at minimum incorrect factual and legal conclusions by CMS, violations of law, inequity, and unjust enrichment. In November 2015, CMS issued its final report that did not change its initial conclusion summarized above. In DCH's CMS 64 Report filing for quarter ending December 31, 2015, DCH did not return approximately $76 million in federal financial participation funds for SFY 2010 and 2011 or any upper payment limit payments made to such nursing homes in subsequent fiscal years, which DCH estimates to be in an aggregate amount of approximately $94.0 million for both fiscal year 2012 and fiscal year 2013 as requested by CMS. A response was received from CMS on November 20, 2018 reaffirming its position. DCH continues its opposition and has requested reconsideration of the disallowance through the available CMS administrative appeal channels. The matter is pending with the CMS Departmental Appeals Board for resolution, which is the final regulatory level of administrative appeal.

C. Guarantees and Financial Risk

Component Units

Georgia Housing Finance Authority (GHFA) has uninsured single-family mortgage loans of approximately $68.9 million as of June 30, 2022. All of these loans are for home mortgages in the State of Georgia. Current economic

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

conditions in Georgia have a direct impact on foreclosures and the higher rate of loss on foreclosed loans. If the economy declines, one impact of these conditions could be a decline in housing values and an increase in unemployment and underemployment. GHFA could incur a higher rate of foreclosure and a higher rate of loss on foreclosed loans as a result of the impact of their economic factors and the decline in the value of its underlying collateral on uninsured loans. If the economy declines and, as a result, GHFA could experience a dramatic increase in foreclosures, it is possible that the combination of such an increase combined with lower housing prices could result in increased losses of loan assets that could have adverse impacts on the GHFA's ability to repay its outstanding bonds.

D. Other Significant Commitments

Primary Government

Contractual Commitments

The Georgia Constitution permits State organizations to enter into contractual commitments provided they have funds available (statutory basis) at the time of the execution of the contract. At June 30, 2022, the fund balances of the primary government include encumbrances of $12.4 billion (amounts in thousands):

	Encumbrances
Function	
Conservation	$ 7,119
Culture and Recreation	95,780
Economic Development and Assistance	276,593
Education	4,803,385
General Government	1,107,649
Health and Welfare	1,844,011
Public Safety	354,061
Transportation	3,871,465
Total Investments	**$ 12,360,063**

As of June 30, 2022, the Department of Revenue had unclaimed film tax credits of approximately $1.2 billion.

The University System of Georgia (Higher Education Fund) had significant, unearned, outstanding construction or renovation contracts executed in the amount of $25.1 million as of June 30, 2022. This amount is not reflected in the financial statements.

As of June 30, 2022, Employees' Retirement System of Georgia committed to fund certain private equity partnerships for a total capital commitment of $775.8 million. Of this amount, $256.4 million remained unfunded and is not recorded on the *Combining Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds - Defined Benefit Pension Plans*.

On August 24, 2015, Georgia Technology Authority(GTA) entered into an agreement with Capgemini to provide service integration processes and systems, including billing, service desk, service catalog and request management, risk and security management, among other services. This agreement is a seven year contract with three optional years for a total contract amount of $323.4 million, and a remaining balance of $82.6 million as of June 30, 2022.

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

On December 1, 2017, GTA entered into an $119.0 million services contract with ATOS. This is a four year contract with five optional years, and has a remaining balance of $55 million as of June 30, 2022.

On June 1, 2018, GTA entered into an $41.3 million services contract with Xerox. This is a three year contract with three optional years, and has a remaining balance of $19.1 million as of June 30, 2022.

On January 1, 2019, GTA entered into a $219.0 million services contract with Unisys. This is a three year contract with three optional years, and has a remaining balance of $111.5 million June 30, 2022.

On July 1, 2021, GTA entered into an $378 million services contract with AT&T. This is a five year contract with three optional years, and has a remaining balance of $323.6 million as of June 30, 2022.

State Road and Tollway Authority (SRTA) has contractual commitments on uncompleted contracts of $888.7 million, the majority of which are for the I-20 East Interchange Reconstruction Project and the I-16 at I-95 Interchange and I-16 Widening from I-95 to I-516 Reconstruction Project. In addition, $10.9 million in grants and $6.1 million of loans were awarded to local governments and community improvements districts.

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

Component Units

Contractual Commitments

As of June 30, 2022, Georgia Environmental Finance Authority (GEFA) had commitments to fund projects, excluding the undisbursed portion of loans in process, totaling $182.6 million.

As of June 30, 2022, Georgia Ports Authority (GPA) had commitments for construction projects of approximately $680.3 million.

During the fiscal year ended June 30, 2013, the GPA entered into a compromise and settlement agreement with the U.S. Army Corps of Engineers, the State of South Carolina and several nongovernmental environmental organizations relative to the project by the U.S. Army Corps of Engineers to deepen the Savannah River federal navigation channel. The project is commonly referred to as the Savannah Harbor Expansion Project (SHEP).

The respective SHEP agreement, approved by the U.S. Federal District Court for the District of South Carolina, resulted in a commitment by GPA in the amount of $35.5 million, of which GPA had paid $20.1 million through the year ended June 30, 2022, which includes the following provisions to be funded by the GPA subject to satisfaction of certain conditions that at this time are based on all known and expected factors, and therefore, considered to be "probable" as defined by respective and authoritative financial reporting standards (GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*):

1) The GPA will establish a letter of credit or escrow account within six months of the commencement of inner harbor dredging in the amount of $2.0 million to serve as a contingency fund should the operation of the dissolved oxygen injection system not receive funding by the federal government. This letter of credit or escrow account will be maintained at a minimum of $2.0 million for fifty years after completion of the SHEP.
2) The GPA will contribute $3.0 million for water quality monitoring in the Lower Savannah River Basin, $3.0 million for monitoring and research of Shortnose and Atlantic Sturgeon, $15.0 million for conservation, wetlands preservation, acquisitions of easements and/or upland buffers, and creation, restoration or enhancement of wetlands to benefit the Lower Savannah River watershed.

3) The GPA will contribute $12.5 million for environmental and conservation projects in the Savannah River Basin to the Savannah River Restoration Board whose membership is prescribed in the agreement.

NOTE 21 - SUBSEQUENT EVENTS

A. Primary Government

Long-term Debt Issues

General Obligation Bonds Issued

In July 2022, the State sold general obligation bonds in the total amount of $704.1 million for delivery on July 7, 2022 to provide over $753.7 million in total proceeds for various capital outlay projects. The greatest amount of funding will provide $211.7 million for public safety projects, $194.2 million for higher education projects, $161.5 million for K-12 education projects, and $124.6 million for economic development projects.

Series	Par Issue Amount
2022A	$ 517,510,000
2022B	186,565,000
Total	$ 704,075,000

The true interest cost on the 2022A and 2022B bonds was 3.598% and the average life is 11.755 years.

Defeasance of General Obligation Bonds

In July 2022, the State sold general obligation refunding bonds totaling $487.6 million to defease a total of $522.2 million from four different series of general obligation bonds with interest rates ranging from 3.00% to 5.00%.

The true interest cost on the 2022C bonds was 2.593% and the average life is 4.451 years.

Other Subsequent Events

Department of Community Health

Centers for Medicare and Medicaid Services (CMS) informed Department of Community Health (DCH) that as of October 17, 2016, negative PMS balances accruing between FFY 2005 through FFY 2013 totaling approximately $50.0 million should be returned by DCH to CMS. According to an executive summary in an HHS-OIG report issued in March 2016, prior to FFY 2010, States had PMS grant award accounts that combined Medicaid funds from every year resulting in yearly balances that were not distinguishable. CMS used the PMS to record grant award amounts and process the States' withdrawals from the U.S. Department of Treasury. Beginning in FFY 2010, CMS began annualized grant award accounts with beginning and ending balances to improve Medicaid funding transparency. DCH shared two prepared reports with CMS comparing federal draws to reported expenditures for FFY 2005 through FFY 2013; DCH determined that while its analysis does indicate negative PMS balances exist, it had not been able to identify the root cause or options to address the balances due to the rolling grant funding process used prior to FFY 2010. In December 2022, DCH and CMS came to an agreement that the PMS negative balances would be paid to close the issue caused by the rolling grant balances from FFY 2005 through FFY 2013. This balance of $50.6 million was paid in January 2023.

University System of Georgia

In July 2022, the Board of Regents of the University System of Georgia (BOR) signed agreements for two campus projects at Georgia Institute of Technology that increase pedestrian and cyclist mobility on campus. The Ferst

NOTE 21 - SUBSEQUENT EVENTS (continued)

Drive Corridor Realignment project will eliminate the traffic signal and enable connectivity to the planned bicycle infrastructure southwest of campus. A cycle track will be installed along Ferst Drive, providing improved safety and separation between cyclists and buses. Construction will begin in fiscal year 2023 and is expected to conclude in fiscal year 2025. The amount approved for the project is $13.0 million. The East Campus Streetscapes project will include a renovation of sidewalks and roadways to improve access, safety, and connectivity for pedestrians and cyclists alike to the east side of campus and Tech Square. Construction will begin in fiscal year 2023 and is expected to conclude in fiscal year 2024. The amount approved for the project is $16.4 million. The capital assets for both projects will be recorded on the Institute's books once construction is complete.

During September 2022, the Development Authority of Clayton County issued revenue bonds and loaned the proceeds to the USG Real Estate Foundation XIII, LLC (USGREF), a component unit of the University System of Georgia Foundation, Inc., in the amount of $20.7 million. The Series 2022 bonds were issued to acquire the Georgia Archives facility located in Morrow, GA, from Tuff Archives, LLC. In addition, a replacement rental agreement was entered between the University System of Georgia and the USGREF for the Georgia Archives building for the remaining of the term held under the previous lease agreement, for $28.5 million through 2033.

B. Component Units

<u>Other Subsequent Events</u>

State Road and Tollway Authority

The 10th round of GTIB applications was opened on October 24, 2022, and applications will be accepted by the Authority through January 20, 2023. Awards are expected to occur in the spring of 2023 and will be a combination of loans and grants. The anticipated amount of the awards will be $14.5 million.

A Memorandum of Understanding between the Authority and the Atlanta-region Transit Link Authority (ATL) was fully executed on January 6, 2023. The Memorandum of Understanding provides for the Authority to transfer $20.2 million in remaining VW Settlement funds to the ATL to fund in part or whole the purchase of electric commuter coaches and electric commuter coach charging infrastructure.

Georgia Housing and Finance Authority

Georgia Housing and Finance Authority issued 2022 Series A Single-Family Mortgage Bonds in the amount of $100.0 million which closed on February 14, 2023.

University System of Georgia

In May of 2021, the Boards of Trustees of the Augusta University Foundation, Inc. (AUF) and the Georgia Health Sciences Foundation, Inc. (GHSF) unanimously approved a proposal for a transaction to combine the assets of both foundations into the Augusta University Foundation, Inc. The determination has been made that the Georgia Health Sciences Foundation will transfer most of its assets, other than real estate assets, to the Augusta University Foundation. After the transaction is complete, both entities will continue to exist, and the GHSF will be renamed the Augusta University Real Estate Foundation or a similar name. Further, the AUF will operate and manage all gifts made to or for the benefit of Augusta University and its affiliated entities, except for gifts of real estate directed to the GHSF and those gifts directed to the Medical College of Georgia Foundation. The AUF and GHSF and the Board of Regents of the University System of Georgia entered a memorandum of understanding (MOU) to memorialize this transaction. The MOU was effective on July 1, 2022. Net assets transferred from GHSF to AUF

NOTE 21 - SUBSEQUENT EVENTS (continued)

total approximately $23.0 million and the remaining identified assets are expected to be transferred shortly thereafter.

Effective April 29, 2022, the Georgia Regents Real Estate Corporation d/b/a as Augusta University Real Estate Corporation (AUREC) elected members of the board of directors and amended the bylaws due to the expiration of the memorandum of understanding between the Board of Regents of the University System of Georgia, on behalf of Augusta University, and Georgia Technology Authority (GTA), an entity of the state of Georgia, and the Georgia Financing and Investment Commission. Transfers between GTA and AUREC did not occur until 2023. AUREC has now acquired all the GTA's interest in certain leases, contracts, tenant deposits, and the operation, management, and maintenance of the buildings known as the Hull-McKnight Building, located at 100 Grace Hopper Lane, Augusta, Georgia and the Shaffer-MacCartney Building, located at 200 Grace Hopper Lane, Augusta, Georgia.

Kennesaw State University (KSU) entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) where KSUF would construct and equip a student housing facility. This new facility will be leased to KSU for a 30-year period through June 30, 2052, with lease payments totaling $65.3 million. At the end of the lease, the ownership of the student housing facility will transfer to KSU. The commencement of the lease occurred in August 2022, after the substantial completion of the improvements were finalized. On December 17, 2020, Kennesaw State University Foundation, Inc. entered into a promissory note agreement to repay $35.4 million Series 2020 bonds issued by the Development Authority of Cobb County. The proceeds of the bonds will be used for the purpose of (i) financing the cost of acquiring, constructing and equipping a student housing facility consisting of 508 beds to be located on the Kennesaw campus of Kennesaw State University, (ii) fund capitalized interest for the Series 2020 Bonds and (iii) paying all or a portion of the costs of issuing the Series 2020 Bonds.

On December 9, 2020, University of Georgia (UGA) entered into an agreement with UGA Real Estate Foundation, Inc. (UGAREF) a component unit of University of Georgia Research Foundation, Inc. where UGAREF would construct and equip a student housing facility. This new facility will be leased to UGA for a 30 year period through June 30, 2052 with lease payments totaling $79.4 million. At the end of the lease, the ownership of the student housing facility will transfer to UGA. The commencement of the lease will be at the substantial completion of the improvements, which is expected to occur in fiscal year 2023. On December 9, 2020, UGAREF entered into a promissory note agreement to repay $39.0 million Series 2020 bonds issued by the Athens Housing Authority. The proceeds of the bonds will be used for the purpose of (a) financing the cost of the acquisition, construction and equipping of certain buildings, structures, equipment and related real and personal property to be used as a student housing facility consisting of approximately 527 beds and related amenities to be located on the campus of UGA in Athens-Clarke County, Georgia, (b) pay capitalized interest on the Series 2020 Bonds and certain annual fees during construction of the facility and for approximately six months thereafter and (c) pay the cost of issuing the Series 2020 Bonds.

In December of 2022, AU Health Systems, Inc. (AUH), a component unit, signed a letter of intent with Wellstar Health System to form a partnership that would expand the educational and research missions of Augusta University and enable a broader affiliation between Wellstar Health System and the Medical College of Georgia. This agreement is pending approval with a decision expected to occur in fiscal year 2023.

In December of 2022, several University System of Georgia (USG) campuses experienced flooding after freezing weather caused pipes to burst. The USG continues to assess the damages, while working with insurance specialists on recovery and prioritizing the safety and well-being of faculty, staff, and students. At this time, the USG does not have a final estimate of the damages or claims.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Budgetary Comparison Schedule
Budget Fund
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Funds Available					
State Appropriation					
State General Funds	$ 23,276,168	$ 26,071,221	$ 26,071,221	$ 26,067,027	$ 4,194
Revenue Shortfall Reserve for K-12 Needs	—	285,918	285,918	285,918	—
State Motor Fuel Funds	1,960,037	1,960,037	1,960,037	1,960,037	—
Lottery Proceeds	1,319,161	1,322,417	1,322,417	1,322,417	—
Tobacco Settlement Funds	148,469	148,497	148,497	148,497	—
Brain and Spinal Injury Trust Fund	1,363	1,363	1,363	1,710	(347)
Nursing Home Provider Fees	159,929	160,811	144,697	144,697	—
Hospital Provider Fee	387,092	381,885	388,671	388,671	—
Safe Harbor for Sexually Exploited Children Fund	351	351	351	300	51
State Funds - Prior Year Carry-Over					
State General Fund Prior Year	—	—	647,875	677,077	(29,202)
Brain and Spinal Injury Trust Fund - Prior Year	—	—	3,103	2,772	331
State Motor Fuel Funds - Prior Year	—	—	569,079	2,171,195	(1,602,116)
Safe Harbor Fund_Prior Year	—	—	300	351	(51)
Federal Funds					
CCDF Mandatory & Matching Funds	92,549	92,749	49,992	49,992	—
Child Care and Development Block Grant	224,846	227,917	260,224	259,977	247
Community Mental Health Services Block Grant	14,164	14,164	59,675	57,326	2,349
Community Services Block Grant	16,347	16,320	25,818	24,376	1,442
Federal Highway Administration - Highway Planning and Construction	1,514,696	1,514,696	1,727,872	1,320,107	407,765
Foster Care Title IV-E	87,170	94,154	95,259	94,042	1,217
Low-Income Home Energy Assistance	56,316	56,325	93,421	92,350	1,071
Maternal and Child Health Services Block Grant	16,977	16,977	18,503	15,969	2,534
Medical Assistance Program	8,626,830	9,789,148	11,291,461	11,091,682	199,779
Prevention and Treatment of Substance Abuse Block Grant	47,852	47,852	92,372	90,014	2,358
Preventive Health and Health Services Block Grant	2,207	2,207	4,219	3,511	708
Social Services Block Grant	52,582	52,513	50,983	47,980	3,003
State Children's Insurance Program	427,698	509,424	680,424	505,026	175,398
Temporary Assistance for Needy Families Block Grant	325,544	322,822	299,971	277,975	21,996
TANF Transfer to SSBG	2,189	1,424	1,067	1,067	—
Federal Funds Not Itemized	4,055,313	5,692,625	7,033,576	6,473,376	560,200
Federal Funds-COVID-19					
Child Care & Development Block Grant - COVID-19	—	—	543,074	543,074	—
Community Services Block Grant - COVID-19	—	—	8,151	8,151	—
Federal Funds Not Itemized – COVID-19	—	—	9,455,999	5,168,782	4,287,217
Low-Income Home Energy Assistance - COVID-19	—	—	104,615	103,604	1,011
American Recovery and Reinvestment Act of 2009					
Medical Assistance Program	—	—	—	1,796	(1,796)
Federal Recovery Funds Not Specifically Identified	20,308	16,847	34,835	32,846	1,989
Other Funds	11,478,429	10,065,843	15,131,630	14,990,997	140,633
Total Funds Available	54,314,587	58,866,507	78,606,670	74,424,689	4,181,981

(continued)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Expenditures					
Georgia Senate	12,121	13,396	13,609	11,197	2,412
Georgia House of Representatives	19,911	21,509	21,871	20,392	1,479
Georgia General Assembly Joint Offices	14,567	16,683	22,657	15,914	6,743
Audits and Accounts, Department of	33,957	36,083	36,081	35,579	502
Appeals, Court of	24,531	25,374	25,507	25,503	4
Judicial Council of Georgia	19,940	21,033	73,443	24,587	48,856
Juvenile Court Judges, Council of	8,818	8,950	8,950	8,551	399
Prosecuting Attorneys' Council	88,970	94,119	136,611	121,702	14,909
Superior Courts	76,859	79,203	79,435	79,428	7
Supreme Court	17,297	18,121	18,618	18,618	—
Accounting Office, State	29,133	29,861	31,640	31,315	325
Administrative Services, Department of	230,627	403,229	430,339	303,019	127,320
Expenditures					
Agriculture, Department of	59,811	72,930	76,860	75,763	1,097
Banking and Finance, Department of	12,506	13,033	13,033	13,030	3
Behavioral Health & Developmental Disabilities, Department of	1,375,758	1,436,510	1,609,801	1,588,082	21,719
Community Affairs, Department of	286,617	412,144	576,551	571,606	4,945
Community Health, Department of	17,304,179	18,538,013	24,316,153	19,955,674	4,360,479
Community Supervision, Department of	166,895	181,858	183,515	183,263	252
Corrections, Department of	1,141,357	1,223,543	1,297,135	1,296,654	481
Defense, Department of	122,885	128,835	160,955	121,454	39,501
Driver Services, Department of	69,656	75,743	80,767	78,240	2,527
Early Care and Learning, Department of	912,581	917,195	1,467,462	1,457,950	9,512
Economic Development, Department of	32,178	62,404	74,257	68,920	5,337
Education, Department of	12,339,593	13,346,432	16,054,200	14,140,876	1,913,324
Employees' Retirement System of Georgia	64,149	63,653	64,171	61,647	2,524
Forestry Commission, State	52,233	59,457	72,301	72,266	35
Governor, Office of the	81,509	91,657	5,190,136	2,995,455	2,194,681
Human Services, Department of	1,894,106	1,933,212	2,287,773	2,203,052	84,721
Insurance, Department of	21,728	38,347	39,752	39,586	166
Investigation, Georgia Bureau of	280,984	324,962	393,312	341,247	52,065
Juvenile Justice, Department of	322,752	353,604	363,513	334,941	28,572
Labor, Department of	114,437	114,544	164,652	158,900	5,752
Law, Department of	92,910	94,154	112,694	111,578	1,116
Natural Resources, Department of	300,612	350,394	464,928	415,510	49,418
Pardons and Paroles, State Board of	16,550	17,604	17,804	17,713	91
Properties Commission, State	2,208	479,700	480,710	480,636	74
Public Defender Council, Georgia	95,216	99,621	105,721	99,042	6,679
Public Health, Department of	693,909	741,563	1,289,095	1,193,222	95,873
Public Safety, Department of	247,078	281,384	316,747	306,220	10,527
Public Service Commission, Georgia	10,887	11,887	11,646	11,646	—
Regents, University System of Georgia	8,389,345	8,847,706	11,049,190	9,538,081	1,511,109
Revenue, Department of	200,703	206,328	210,144	201,357	8,787
Secretary of State	30,349	34,752	48,993	45,841	3,152
Student Finance Commission and Authority, Georgia	1,065,745	1,071,437	1,083,327	978,197	105,130
Teachers' Retirement System of Georgia	43,712	45,694	46,989	42,520	4,469
Technical College System of Georgia	951,143	1,004,634	1,261,930	980,373	281,557
Transportation, Department of	3,659,917	3,883,971	4,912,089	4,030,837	881,252
Veterans Service, Department of	50,379	51,402	62,346	54,297	8,049
Workers' Compensation, State Board of	19,480	20,117	20,155	17,576	2,579
State of Georgia General Obligation Debt Sinking Fund	1,211,799	1,468,522	1,727,102	1,565,013	162,089
Total Expenditures	54,314,587	58,866,507	78,606,670	66,544,070	12,062,600
Excess of Funds Available over Expenditures	$ —	$ —	$ —	$ 7,880,619	$ (7,880,619)

Required Supplementary Information
Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

		General Fund
Sources/Inflows of Resources		
Summary		
Actual amounts (budgetary basis) "Total Funds Available" from the budgetary comparison schedule	$	74,424,689
Differences - budget to GAAP		
Perspective Differences:		
Revenues of budgeted funds included in the Budget Fund, but removed from the General Fund for financial reporting purposes.		(12,165,556)
Revenues of nonbudgeted funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.		36,458,917
State appropriations revenues are budgetary resources, but are netted with the State's treasury disbursements for GAAP purposes.		(30,088,984)
Basis Differences:		
Accrual of taxpayer assessed receivables and revenues.		(955,833)
Fund balance adjustments are not inflows of budgetary resources, but affect current year revenues for GAAP reporting purposes.		509,187
Prior Year Reserves Available for Expenditure are included in Funds Available, but are not revenues for GAAP reporting purposes.		(7,562,383)
Revenues from intrafund transactions are budgetary resources, but are not revenues for GAAP reporting purposes.		(947,060)
Receivables and revenues accrued based on encumbrances reported for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for GAAP reporting.		(1,863,591)
Transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.		(100,341)
Revenue reported for nonbudgetary food stamp program and donated commodities.		5,936,125
Revenue reported for on-behalf payments related to pensions.		76,341
Other net accrued receivables and revenues.		415,004
Total Revenues (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$	64,136,515

(continued)

	General Fund
Uses/Outflows of Resources	
Summary	
Actual amounts (budgetary basis) "Total Expenditures" from the budgetary comparison schedule	$ 66,544,070
Differences - budget to GAAP	
Perspective Differences:	
Expenditures of Budgeted Funds for organizations not reported in the General Fund.	(15,477,773)
Expenditures of nonbudgeted Funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.	17,703
Basis Differences:	
Accrual of teacher salaries not included in current budget year.	49,448
Lease acquisitions are not outflows of budgetary resources, but are recorded as current expenditures and other financing sources for GAAP reporting.	71,368
Change in expenditure accrual for nonbudgetary Medicaid claims.	51,071
Encumbrances for goods and services ordered but not received are reported as budgetary expenditures in the year the order is placed, but are reported as GAAP expenditures in the year the goods and services are received.	(2,656,733)
Expenditures from intrafund transactions are budgetary outflows, but are not expenditures for GAAP reporting purposes.	(947,060)
Expenditures reported for nonbudgetary food stamp program and donated commodities.	5,936,125
Expenditures reported for on-behalf payments related to pensions.	76,341
Fund balance adjustments are not outflows of budgetary resources, but affect current year expenditures for GAAP reporting purposes.	(105,844)
Transfers to other funds are outflows of budgetary resources, but are not expenditures for GAAP reporting purposes.	(1,971,295)
Other net accrued liabilities and expenditures.	171,191
Total Expenditures (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$ 51,758,612

Required Supplementary Information
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2022

Budgetary Reporting

Budgetary Process

OCGA § 45-12-4 sets forth the process for the development and monitoring of an appropriated budget for the State. Not later than September 1 of each year, the head of each executive branch budget unit (e.g. agencies, departments, and commissions) must submit estimates of the financial requirements for the subsequent fiscal year to Office of Planning and Budget (OPB), which operates under the direction of the Governor. Budget estimates relative to the legislative and judicial branches of State government are provided to OPB for the purpose of estimating the total financial needs of the State, but are not subject to revision or review by OPB.

The Governor, through the OPB, examines the estimates and may investigate and revise executive branch submissions as necessary. Upon the completion and revisions of the estimates, the Governor must prepare and submit a budget report to the General Assembly within five days of the date on which the General Assembly convenes. The Governor also possesses the responsibility and authority to establish the revenue estimate for the corresponding fiscal year.

The General Assembly, after adopting such modifications to the Governor's budget report as it deems necessary, enacts the General Appropriations Act for the subsequent fiscal year. Each General Appropriations Act enacted, along with amendments as are adopted, continues in force and effect for the next fiscal year after adoption. In accordance with the Georgia Constitution, Article III, Section IX, Paragraph IV, "The General Assembly shall not appropriate [State] funds for any given fiscal year which, in aggregate, exceed a sum equal to the amount of unappropriated surplus expected to have accrued in the state treasury at the beginning of the fiscal year together with an amount not greater than the total treasury receipts from existing revenue sources anticipated to be collected in the fiscal year, less refunds, as estimated in the budget report and amendments thereto." The Constitution also authorizes the passage of additional Supplementary Appropriation Acts, provided sufficient surplus is available or additional revenue measures have been enacted. Finally, the Governor may withhold allotments of funds to budget units in order to maintain this balance of revenues and expenditures. Compliance with this requirement is demonstrated in the Governor's budget report and the Appropriation Acts for each fiscal year.

To the extent that federal funds received by the State are changed by federal authority or exceed the amounts appropriated by the original or supplementary appropriations acts, such excess, changed or unanticipated funds are "continually appropriated;" that is, they are amended in to departmental budgets when such events are known. Similarly, revenues generated by departments that may be retained for departmental operations ("other funds") are amended in as such funds are collected or anticipated.

Internal transfers within a budget unit are subject to the condition that no funds shall be transferred for the purpose of initiating a new program area which otherwise had received no appropriation of any funding source.

The Governor, through OPB, requires each budget unit, other than those of the legislative and judicial branches, to submit an annual operating budget based on the programs set forth in the Appropriations Act. Budget units submit periodic allotment requests, which must be approved in conjunction with quarterly work programs prior to release of appropriated funds. Further monitoring of budget unit activities is accomplished by review of expenditure reports, which are submitted quarterly to OPB.

Required Supplementary Information
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2022

The appropriated budget covers a majority of the organizations comprising the State's General Fund, and includes appropriations for debt service. The budget also includes certain proprietary funds, the Higher Education Fund, and the administrative costs of operating certain public employee retirement systems.

Budget units of the State are responsible for budgetary control of their respective portion of the total State appropriated budget. The legal level of budgetary control is at the program level by funding source. Due to the complex nature of the State appropriated budget, a separate *Budgetary Compliance Report* is published each year to report on compliance at the legal level of budgetary control.

Budgetary Basis of Accounting

The annual budget of the State is prepared on the modified accrual basis utilizing encumbrance accounting with the following exceptions: federal and certain other revenues are accrued based on the unexecuted portion of long-term contracts; and intrafund transactions are disclosed as revenues and expenditures. Under encumbrance accounting, encumbrances are used to indicate the intent to purchase goods or services. Liabilities and expenditures are recorded upon issuance of completed purchase orders. Goods or services need not have been received for liabilities and expenditures to be recorded.

The budget represents departmental appropriations recommended by the Governor and adopted by the General Assembly prior to the beginning of the fiscal year. Annual appropriated budgets are adopted at the departmental (budget unit) level by program and funding source. All unencumbered annual appropriations lapse at fiscal year-end unless otherwise specified by constitutional or statutory provisions. Supplementary and amended appropriations may be enacted during the next legislative session by the same process used for original appropriations.

Budgetary Compliance Exceptions

Expenditures of State funds may not exceed the amount appropriated at the legal level of control as provided by the Constitution. For the year ended June 30, 2022, total State funds expenditures did not exceed appropriated amounts.

For more information on budgetary exceptions, please refer to the *Budgetary Compliance Report* issued under separate cover. This report can be found on website of the State Accounting Office at http://sao.georgia.gov/.

Budgetary Presentation

The accompanying Budgetary Comparison Schedule for the Budget Fund presents comparisons of the legally adopted budget with actual data prepared on the budgetary basis of accounting utilized by the State. The Budget Fund, a compilation of the budget units of the State, differs from the funds presented in the basic financial statements. The Budget-to-GAAP reconciliation immediately following the budgetary comparison schedule identifies the types and amounts of adjustments necessary to reconcile the Budget Fund with the General Fund as reported in accordance with generally accepted accounting principles.


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Required Supplementary Information
Public Entity Risk Pool
For the Fiscal Year Ended June 30, 2022

(amounts in thousands)

Claims Development Information

The table below illustrates how the State Health Benefit Plan's (SHBP) earned revenues and investment income compare to related costs of loss and other expenses assumed by the SHBP as of the end of the current fiscal year. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (policy year). (4) This section shows the cumulative net amounts paid as of the end of the policy year. (5) This section shows how current year's net incurred claims increased or decreased as of the end of the year. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years.

(Table on next page)

Required Supplementary Information
Public Entity Risk Pool
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Fiscal and Policy Year Ended						
	2013	2014	2015	2016	2017	2018	2019
(1) Required contribution and investment revenue earned (fiscal year)	$2,336,582	$2,429,079	$2,365,612	$2,124,039	$2,193,674	$2,975,710	$2,545,692
(2) Unallocated expenses	119,439	152,369	143,050	139,630	137,874	132,059	117,675
(3) Estimated claims and expenses, end of policy year, net incurred	2,074,390	1,880,541	1,882,588	2,013,443	2,158,188	2,269,151	2,495,517
(4) Net paid (cumulative) as of:							
End of policy year	2,053,332	1,927,919	1,882,765	2,009,809	2,120,983	2,286,603	2,500,454
One year later	2,089,484	1,931,895	1,871,509	1,915,972	2,151,121	2,340,034	2,454,871
Two years later	2,089,484	1,931,895	1,871,509	1,915,972	2,151,121	2,340,034	2,454,871
Three years later	2,089,484	1,931,895	1,871,509	1,915,972	2,151,121	2,340,034	2,454,871
Four years later	2,089,484	1,931,895	1,871,509	1,915,972	2,151,121	2,340,034	
Five years later	2,089,484	1,931,895	1,871,509	1,915,972	2,151,121		
Six years later	2,089,484	1,931,895	1,871,509	1,915,972			
Seven years later	2,089,484	1,931,895	1,871,509				
Eight years later	2,089,484	1,931,895					
(5) Reestimated net incurred claims and expenses:							
End of policy year	2,074,390	1,880,541	1,882,588	2,013,443	2,158,188	2,269,151	2,495,517
One year later	2,068,566	1,879,800	1,871,599	1,915,823	2,150,162	2,340,850	2,458,806
Two years later	2,014,054	1,934,321	1,871,599	1,915,823	2,148,700	2,340,255	2,454,871
Three years later	2,019,869	1,934,321	1,871,599	1,915,846	2,148,678	2,340,034	2,454,871
Four years later	2,019,869	1,934,321	1,871,599	1,915,846	2,148,678	2,340,034	
Five years later	2,019,869	1,934,321	1,871,599	1,915,846	2,148,678		
Six years later	2,019,869	1,934,321	1,871,599	1,915,846			
Seven years later	2,019,869	1,934,321	1,871,599				
Eight years later	2,019,869	1,934,321					
(6) Increase (decrease) in estimated net incurred claims and expenses from the end of policy year	(54,521)	53,780	(10,989)	(97,597)	(9,510)	70,883	(40,646)

2020	2021	2022
$ 2,837,988	$ 3,080,118	$ 3,104,205
120,588	116,308	123,120
2,614,741	3,057,358	3,353,961
2,579,198	3,036,605	3,238,092
2,650,623	3,055,657	
2,650,623		
2,614,741	3,057,357	3,353,963
2,650,939	3,059,475	
2,650,623		
35,882	2,117	—


STATE OF GEORGIA
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REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS

STATE OF GEORGIA

CONSTITUTION

WISDOM JUSTICE MODERATION

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Required Supplementary Information
Schedules of Employers' and Nonemployers' Contributions
Defined Benefit Pension Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	Year Ended	Actuarially determined contribution (a)	Contributions in relation to the actuarially determined contribution (b)	Contribution deficiency (excess) (a-b)	Covered payroll (c)	Contributions as a percentage of covered payroll (b/c)
Employees' Retirement System	6/30/2013	358,376	358,992	(616)	2,335,773	15.37 %
	6/30/2014	428,982	429,752	(770)	2,335,773	18.40 %
	6/30/2015	517,220	519,163	(943)	2,353,225	22.06 %
	6/30/2016	595,124	595,566	(442)	2,390,457	24.91 %
	6/30/2017	624,623	625,281	(658)	2,565,918	24.37 %
	6/30/2018	650,073	652,167	(2,094)	2,635,896	24.74 %
	6/30/2019	649,209	649,209	—	2,615,491	24.82 %
	6/30/2020	643,857	643,857	—	2,614,856	24.62 %
	6/30/2021	615,967	615,967	—	2,480,422	24.83 %
	6/30/2022	619,723	619,723	—	2,577,449	24.04 %
Teachers Retirement System of Georgia	6/30/2013	1,180,469	1,180,469	—	10,345,916	11.41 %
	6/30/2014	1,270,963	1,270,963	—	10,349,862	12.28 %
	6/30/2015	1,406,706	1,406,706	—	10,697,384	13.15 %
	6/30/2016	1,580,532	1,580,532	—	11,075,907	14.27 %
	6/30/2017	1,654,844	1,654,844	—	11,596,664	14.27 %
	6/30/2018	2,018,724	2,018,724	—	12,009,066	16.81 %
	6/30/2019	2,566,403	2,566,403	—	12,279,440	20.90 %
	6/30/2020	2,738,818	2,738,818	—	12,955,620	21.14 %
	6/30/2021	2,495,527	2,495,527	—	13,093,006	19.06 %
	6/30/2022	2,696,714	2,696,714	—	13,612,892	19.81 %

This data, except for annual covered payroll, was provided by each plan's actuary.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedules of Employers' and Nonemployers' Net Pension Liability
Defined Benefit Pension Plans
For the Last Nine Fiscal Years

(amounts in thousands)

	2022	2021	2020	2019
Employees' Retirement System:				
Total pension liability	$ 20,508,975	$ 18,886,809	$ 17,717,243	$ 17,744,003
Plan fiduciary net position	13,830,510	16,547,905	13,502,286	13,617,472
Employers' and nonemployers' net pension liability	$ 6,678,465	$ 2,338,904	$ 4,214,957	$ 4,126,531
Plan fiduciary net position as a percentage of the total pension liability	67.44 %	87.62 %	76.21 %	76.74 %
Covered payroll	$ 2,577,449	$ 2,480,422	$ 2,614,856	$ 2,615,491
Employers' and nonemployers' net pension liability as a percentage of covered payroll	259.11 %	94.29 %	161.19 %	157.77 %
Teachers Retirement System:				
Total pension liability	$ 119,594,792	$ 110,991,021	$ 105,385,472	$ 100,291,641
Plan fiduciary net position	87,122,859	102,146,688	81,161,558	78,788,937
Employers' and nonemployers' net pension liability	$ 32,471,933	$ 8,844,333	$ 24,223,914	$ 21,502,704
Plan fiduciary net position as a percentage of the total pension liability	72.85 %	92.03 %	77.01 %	78.56 %
Covered payroll	$ 13,612,892	$ 13,093,006	$ 12,955,620	$ 12,279,440
Employers' and nonemployers' net pension liability as a percentage of covered payroll	238.54 %	67.55 %	186.98 %	175.11 %

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018	2017	2016	2015	2014
$ 17,628,219	$ 17,159,634	$ 17,103,987	$ 17,019,362	$ 17,042,149
13,517,186	13,098,299	12,373,567	12,967,964	13,291,531
$ 4,111,033	$ 4,061,335	$ 4,730,420	$ 4,051,398	$ 3,750,618
76.68 %	76.33 %	72.34 %	76.20 %	77.99 %
$ 2,635,896	$ 2,565,918	$ 2,390,457	$ 2,353,225	$ 2,335,773
155.96 %	158.28 %	197.89 %	172.16 %	160.57 %
$ 94,095,067	$ 89,926,280	$ 86,183,526	$ 82,023,120	$ 79,099,772
75,532,925	71,340,972	65,552,411	66,799,111	66,466,091
$ 18,562,142	$ 18,585,308	$ 20,631,115	$ 15,224,009	$ 12,633,681
80.27 %	79.33 %	76.06 %	81.44 %	84.03 %
$ 12,009,066	$ 11,596,664	$ 11,075,907	$ 10,697,384	$ 10,349,862
154.57 %	160.26 %	186.27 %	142.32 %	122.07 %

Required Supplementary Information
Schedules of Changes in Employers' and Nonemployers' Net Pension Liability
Defined Benefit Pension Plans
For the Last Nine Fiscal Years
(amounts in thousands)

Employees' Retirement System:	**2022**	**2021**	**2020**	**2019**
Total pension liability:				
Service cost	$ 142,949	$ 129,500	$ 132,004	$ 135,679
Interest	1,269,224	1,240,748	1,240,887	1,233,882
Benefit changes	67,351	—	65,702	42,097
Differences between expected and actual experience	(107,167)	86,061	25,736	155,573
Changes of assumptions	1,759,895	1,154,636	—	—
Benefit payments	(1,502,904)	(1,434,775)	(1,484,445)	(1,443,756)
Refunds of contributions	(7,182)	(6,604)	(6,644)	(7,691)
Net change in total pension liability	1,622,166	1,169,566	(26,760)	115,784
Total pension liability-beginning	18,886,809	17,717,243	17,744,003	17,628,219
Total pension liability-ending (a)	20,508,975	18,886,809	17,717,243	17,744,003
Plan fiduciary net position:				
Contributions-employer	611,410	606,893	634,108	638,989
Contributions-nonemployer	8,313	9,048	9,749	10,220
Contributions-member	36,130	35,027	35,837	36,252
Administrative expense allotment	—	—	10	10
Net investment income	(1,855,596)	3,843,581	703,840	873,404
Benefit payments	(1,502,904)	(1,434,775)	(1,484,445)	(1,443,756)
Administrative expense	(7,576)	(7,587)	(7,641)	(7,142)
Refunds of contributions	(7,182)	(6,604)	(6,644)	(7,691)
Transfers from Other Funds*	10	36		
Other**	—	—	—	—
Net change in plan fiduciary net position	(2,717,395)	3,045,619	(115,186)	100,286
Plan fiduciary net position-beginning	16,547,905	13,502,286	13,617,472	13,517,186
Plan fiduciary net position-ending (b)	13,830,510	16,547,905	13,502,286	13,617,472
Net pension liability-ending (a)-(b)	$ 6,678,465	$ 2,338,904	$ 4,214,957	$ 4,126,531
Teachers Retirement System of Georgia:				
Total pension liability:				
Service cost	$ 1,742,643	$ 1,734,145	$ 1,597,714	$ 1,536,336
Interest	7,837,074	7,440,942	7,080,133	6,868,617
Differences between expected and actual experience	(215,975)	1,934,042	368,463	430,272
Changes of assumptions	5,026,914	—	1,316,780	2,388,357
Benefit payments	(5,692,032)	(5,434,414)	(5,192,283)	(4,950,465)
Refunds of contributions	(94,853)	(69,166)	(76,976)	(76,543)
Net change in total pension liability	8,603,771	5,605,549	5,093,831	6,196,574
Total pension liability-beginning	110,991,021	105,385,472	100,291,641	94,095,067
Total pension liability-ending (a)	119,594,792	110,991,021	105,385,472	100,291,641
Plan fiduciary net position:				
Contributions - employer	2,691,212	2,490,267	2,732,925	2,560,810
Contributions-nonemployer	5,398	5,123	5,729	5,414
Contributions-member	853,376	817,090	800,864	759,474
Net investment income	(12,770,564)	23,192,761	4,119,609	4,972,419
Benefit payments	(5,692,032)	(5,434,414)	(5,192,283)	(4,950,465)
Administrative expense	(16,470)	(16,668)	(17,411)	(15,276)
Refunds of contributions	(94,853)	(69,166)	(76,976)	(76,543)
Transfers from Other Funds*	104	137	164	179
Other**	—	—	—	—
Net change in plan fiduciary net position	(15,023,829)	20,985,130	2,372,621	3,256,012
Plan fiduciary net position-beginning	102,146,688	81,161,558	78,788,937	75,532,925
Plan fiduciary net position-ending (b)	87,122,859	102,146,688	81,161,558	78,788,937
Net pension liability-ending (a)-(b)	$ 32,471,933	$ 8,844,333	$ 24,223,914	$ 21,502,704

Schedule includes all significant plans and funds administered by the State of Georgia.

*A change in reporting was implemented beginning with fiscal year June 30, 2021 to separately report internal transfer amounts.

**Pursuant to the requirements of GASB Statement 75, the fiscal year 2018 beginning Fiduciary Net Position was restated, to reflect the impact of recording the initial Deferred Outflows of Resources and the Net OPEB liabilities and OPEB asset. Also, pursuant to the requirements of GASB Statement 68, the fiscal year 2015 beginning Fiduciary Net Position was restated.

2018	2017	2016	2015	2014
$ 129,294	$ 125,910	$ 143,043	$ 145,045	$ 150,075
1,233,689	1,230,175	1,225,650	1,227,846	1,224,380
31,097	30,563	—	—	—
180,655	72,315	(238)	(53,950)	—
314,733	—	70,890	—	—
(1,413,298)	(1,394,283)	(1,347,633)	(1,334,278)	(1,305,998)
(7,585)	(9,033)	(7,087)	(7,450)	(8,757)
468,585	55,647	84,625	(22,787)	59,700
17,159,634	17,103,987	17,019,362	17,042,149	16,982,449
17,628,219	17,159,634	17,103,987	17,019,362	17,042,149
639,302	613,191	583,082	505,668	418,807
12,865	12,080	12,484	12,495	10,945
37,130	35,863	31,961	33,713	32,423
10	10	10	10	—
1,166,013	1,475,626	141,292	474,147	2,021,748
(1,413,298)	(1,394,283)	(1,347,633)	(1,334,278)	(1,305,998)
(8,056)	(8,732)	(8,506)	(7,872)	(7,440)
(7,585)	(9,033)	(7,087)	(7,450)	(8,757)
	10			
(7,494)	—	—	—	—
418,887	724,732	(594,397)	(323,567)	1,161,728
13,098,299	12,373,567	12,967,964	13,291,531	12,129,803
13,517,186	13,098,299	12,373,567	12,967,964	13,291,531
$ 4,111,033	$ 4,061,335	$ 4,730,420	$ 4,051,398	$ 3,750,618
$ 1,484,705	$ 1,413,080	$ 1,435,808	$ 1,386,498	$ 1,374,556
6,565,372	6,293,611	5,990,178	5,779,597	5,557,046
894,691	573,483	380,526	(165,785)	—
—	—	662,047	—	—
(4,699,920)	(4,461,124)	(4,228,819)	(3,996,879)	(3,764,452)
(76,061)	(76,296)	(79,334)	(80,083)	(87,095)
4,168,787	3,742,754	4,160,406	2,923,348	3,080,055
89,926,280	86,183,526	82,023,120	79,099,772	76,019,717
94,095,067	89,926,280	86,183,526	82,023,120	79,099,772
2,014,088	1,648,411	1,572,624	1,399,668	1,264,546
4,416	6,175	7,908	7,038	6,417
745,574	716,233	685,626	661,835	640,120
6,247,155	7,971,677	810,574	2,384,145	9,826,743
(4,699,920)	(4,461,124)	(4,228,819)	(3,996,879)	(3,764,452)
(15,865)	(16,773)	(15,281)	(14,996)	(15,025)
(76,061)	(76,296)	(79,334)	(80,085)	(87,095)
220	258		321	
(27,654)	—	—	(28,027)	—
4,191,953	5,788,561	(1,246,702)	333,020	7,871,254
71,340,972	65,552,411	66,799,113	66,466,091	58,594,837
75,532,925	71,340,972	65,552,411	66,799,113	66,466,091
$ 18,562,142	$ 18,585,308	$ 20,631,115	$ 15,224,007	$ 12,633,681

Required Supplementary Information
Schedules of Investment Returns
Defined Benefit Pension Plans
For the Last Nine Fiscal Years

	Annual money-weighted rate of return, net of investment expense								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Pooled Investment Fund (ERS):									
Employees' Retirement System	(18.70%)	19.40%	(3.60%)	(1.80%)	0.60%	2.90%	(7.23%)	(5.32%)	(5.95%)
Teachers Retirement System of Georgia	(15.18%)	25.08%	2.91%	4.08%	5.05%	7.62%	(2.92%)	(0.45%)	12.17%

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

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - Plan Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of actuarially determined contributions.

Employees' Retirement System

Changes of benefit terms: A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016, and a one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2021 and January 2022.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. Subsequent to the June 30, 2016 actuarial valuation, ERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the ERS board's new funding policy the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date, this remained unchanged for June 30, 2019 and June 20, 2020. On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-yer period ending June 30, 2019. Primary among the changes were the updates to mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. Therefore, a change in assumptions due to the reduction in the assumed investment rate of return from 7.30% to 7.00%, are reflected, along with the assumptions changes due to the experience study, in the calculation of the June 30, 2021 ERS Total Pension Liability. On April 21, 2022, the Board adopted a new funding policy superseding and replacing the funding policy adopted March 15, 2018. This new funding policy, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable COLA for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed.

Teachers Retirement System of Georgia

Changes of benefit terms: There were no changes in benefits terms that affect the measurement of the total pension liability since the prior measurement date.

Changes of assumptions: On November 18, 2015, the Board adopted recommend changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. Based on the funding policy adopted by the Board on May 15, 2019, the investment rate of return assumption was changed to 7.25%. In addition, the assumed rate of inflation was changed to 2.50%. On May 13, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. On May 11, 2022, the Board adopted recommended changes to the investment rate of return assumption from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

Actuarial Methods and Assumptions - Plan Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' and non-employers' contributions are calculated as of June 30, one to three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	ERS	TRS
Valuation date	June 30, 2019	June 30, 2019
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar, closed	Level percent of payroll, closed
Remaining amortization period	15.3 years	24.9 years
Asset valuation method	5-year smoothed fair	5-year smoothed fair
Inflation	2.75%	2.50%
Salary increases:	3.25 - 7.00%	3.00 - 8.75%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	None	
Post-retirement benefit increases:		1.50%, semi-annually

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedules of State's Contributions - As Employer
Defined Benefit Pension Plans
For the Last Eight Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
Primary Government				
Employees' Retirement System:				
Statutorily required contribution	$ 553,222	$ 524,789	$ 578,020	$ 578,876
Contributions in relation to the statutorily required contribution	(553,222)	(524,789)	(578,020)	(578,876)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 2,341,771	$ 2,299,629	$ 2,389,515	$ 2,378,687
Contributions as a percentage of the covered payroll	23.62 %	22.82 %	24.19 %	24.34 %
Teachers Retirement System of Georgia:				
Statutorily required contribution	$ 425,473	$ 403,678	$ 457,759	$ 434,861
Contributions in relation to the statutorily required contribution	(425,473)	(403,678)	(457,759)	(434,861)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 2,149,120	$ 2,125,117	$ 2,169,964	$ 2,075,231
Contributions as a percentage of the covered payroll	19.80 %	19.00 %	21.10 %	20.95 %
Component Units				
Employees' Retirement System:				
Statutorily required contribution	$ 8,188	$ 8,004	$ 9,324	$ 9,369
Contributions in relation to the statutorily required contribution	(8,188)	(8,004)	(9,324)	(9,369)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 35,926	$ 34,178	$ 40,397	$ 40,121
Contributions as a percentage of the covered payroll	22.79 %	23.42 %	23.08 %	23.35 %
Teachers Retirement System of Georgia:				
Statutorily required contribution	$ 14,458	$ 14,031	$ 15,748	$ 14,338
Contributions in relation to the statutorily required contribution	(14,458)	(14,031)	(15,748)	(14,338)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 73,103	$ 73,640	$ 74,484	$ 68,606
Contributions as a percentage of the covered payroll	19.78 %	19.05 %	21.14 %	20.90 %

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018	2017	2016	2015
$ 582,189	$ 554,976	$ 505,411	$ 440,602
(582,189)	(554,976)	(505,411)	(440,602)
$ —	$ —	$ —	$ —
$ 2,403,879	$ 2,257,282	$ 2,103,422	$ 1,875,953
24.22 %	24.59 %	24.03 %	23.49 %
$ 339,634	$ 276,210	$ 261,758	$ 230,939
(339,634)	276,210	(261,758)	(230,939)
$ —	$ —	$ —	$ —
$ 2,016,415	$ 1,934,055	$ 1,832,311	$ 1,756,586
16.84 %	14.28 %	14.29 %	13.15 %
$ 9,184	$ 9,576	$ 9,425	$ 8,304
(9,184)	(9,576)	(9,425)	(8,304)
$ —	$ —	$ —	$ —
$ 37,649	$ 36,171	$ 39,238	$ 35,265
24.39 %	26.47 %	24.02 %	23.55 %
$ 11,195	$ 9,248	$ 8,616	$ 8,231
(11,195)	(9,248)	(8,616)	(8,231)
$ —	$ —	$ —	$ —
$ 66,582	$ 64,715	$ 63,339	$ 62,558
16.81 %	14.29 %	13.60 %	13.16 %

Required Supplementary Information
Schedules of State's Contributions - As Nonemployer Contributing Entity
Defined Benefit Pension Plans
For the Last Eight Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
Employees' Retirement System:				
Statutorily required contribution	$ 8,586	$ 8,931	$ 9,840	$ 10,404
Contributions in relation to the statutorily required contribution	(8,586)	(8,931)	(9,840)	(10,404)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
Teachers Retirement System of Georgia:				
Statutorily required contribution	$ 5,398	$ 5,123	$ 5,729	$ 5,414
Contributions in relation to the statutorily required contribution	(5,398)	(5,123)	(5,729)	(5,414)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018		2017		2016		2015	
$	10,781	$	11,967	$	12,138	$	11,174
	(10,781)		(11,967)		(12,138)		(11,174)
$	—	$	—	$	—	$	—
$	4,420	$	6,152	$	7,944	$	7,038
	(4,420)		(6,152)		(7,944)		(7,038)
$	—	$	—	$	—	$	—

Required Supplementary Information
Schedules of State's Proportionate Share of the Net Pension Liability - As Employer
Defined Benefit Pension Plans
For the Last Eight Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
Primary Government				
Employees' Retirement System:				
State's proportion of the net pension liability	88.744453 %	88.814112 %	88.906000 %	88.948204 %
State's proportionate share of the net pension liability	$ 2,075,647	$ 3,743,477	$ 3,667,433	$ 3,656,194
State's Covered payroll	$ 2,299,629	$ 2,389,515	$ 2,378,687	$ 2,403,879
State's proportionate share of the net pension liability as a percentage of its covered payroll	90.26 %	156.66 %	154.18 %	152.10 %
Plan fiduciary net position as a percentage of the total pension liability	87.62 %	76.21 %	76.74 %	76.68 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability	16.325966 %	16.800653 %	17.045266 %	17.011357 %
State's proportionate share of the net pension liability	$ 1,443,829	$ 4,069,621	$ 3,664,958	$ 3,157,367
State's Covered payroll	$ 2,125,117	$ 2,169,964	$ 2,075,231	$ 2,016,415
State's proportionate share of the net pension liability as a percentage of its covered payroll	67.94 %	187.54 %	176.60 %	156.58 %
Plan fiduciary net position as a percentage of the total pension liability	92.03 %	77.01 %	78.56 %	80.27 %
Component Units				
Employees' Retirement System:				
State's proportion of the net pension liability	1.307751 %	1.490203 %	1.473466 %	1.369623 %
State's proportionate share of the net pension liability	$ 30,587	$ 62,811	$ 60,803	$ 56,305
State's Covered payroll	$ 34,178	$ 40,397	$ 40,121	$ 37,649
State's proportionate share of the net pension liability as a percentage of its covered payroll	89.49 %	155.48 %	151.55 %	149.55 %
Plan fiduciary net position as a percentage of the total pension liability	87.62 %	76.21 %	76.74 %	76.68 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability	0.565710 %	0.577537 %	0.562276 %	0.558992 %
State's proportionate share of the net pension liability	$ 50,033	$ 139,902	$ 120,905	$ 103,761
State's Covered payroll	$ 73,640	$ 74,484	$ 68,606	$ 66,582
State's proportionate share of the net pension liability as a percentage of its covered payroll	67.94 %	187.83 %	176.23 %	155.84 %
Plan fiduciary net position as a percentage of the total pension liability	92.03 %	77.01 %	78.56 %	80.27 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018	2017	2016	2015
88.415594 %	87.798535 %	87.682412 %	87.266834 %
$ 3,590,854	$ 4,153,237	$ 3,552,363	$ 3,273,046
$ 2,257,282	$ 2,103,422	$ 1,875,953	$ 1,615,070
159.08 %	197.45 %	189.36 %	202.66 %
76.33 %	72.34 %	76.20 %	77.99 %
16.885665 %	16.741530 %	16.687812 %	16.517474 %
$ 3,137,798	$ 3,453,291	$ 2,540,211	$ 2,086,629
$ 1,934,055	$ 1,832,311	$ 1,756,586	$ 1,683,292
162.24 %	188.47 %	144.61 %	123.96 %
79.33 %	76.06 %	81.44 %	84.03 %
1.501635 %	1.639295 %	1.557127 %	1.543905 %
$ 60,985	$ 77,545	$ 63,085	$ 57,906
$ 36,171	$ 39,238	$ 35,265	$ 28,075
168.60 %	197.63 %	178.89 %	206.25 %
76.33 %	72.34 %	76.20 %	77.99 %
0.564739 %	0.577541 %	0.564109 %	0.590520 %
$ 104,910	$ 119	$ 85,798	$ 74,604
$ 64,715	$ 63,339	$ 62,558	$ 60,180
162.11 %	187.83 %	137.15 %	123.97 %
79.33 %	76.06 %	81.44 %	84.03 %

Required Supplementary Information
Schedules of State's Proportionate Share of the Net Pension Liability - As Nonemployer Contributing Entity
Defined Benefit Pension Plans
For the Last Eight Fiscal Years

(amounts in thousands)

	2022	2021	2020	2019
Employees' Retirement System:				
State's proportion of the net pension liability	1.510823 %	1.560184 %	1.633579 %	1.696518 %
State's proportionate share of the net pension liability	$ 35,337	$ 65,761	$ 67,410	$ 69,744
Plan fiduciary net position as a percentage of the total pension liability	87.62 %	76.21 %	76.74 %	76.68 %
Teachers Retirement System of Georgia:				
State's proportion of the net pension liability (asset)	0.206584 %	0.210185 %	0.212260 %	0.220738 %
State's proportionate share of the net pension liability (asset)	$ 18,271	$ 50,915	$ 45,642	$ 40,974
Plan fiduciary net position as a percentage of the total pension liability	92.03 %	77.01 %	78.56 %	80.27 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

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

Schedule includes all significant plans and funds administered by the State of Georgia.

	2018	2017	2016	2015
	1.891959 %	2.111751 %	2.225584 %	2.410713 %
	$ 76,839	$ 99,895	$ 90,167	$ 90,417
	76.33 %	72.34 %	76.20 %	77.99 %
	0.375432 %	0.507487 %	0.507036 %	0.504588 %
	$ 69,775	$ 104,700	$ 77,191	$ 63,748
	79.33 %	76.06 %	81.44 %	84.03 %

Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - State as Employer Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of actuarially determined contributions.

Employees' Retirement System

Changes of benefit terms: A new benefit tier was added for members joining the System on and after July 1, 2009. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, and withdrawal. On March 15, 2018, the ERS Board adopted a new funding policy, and this policy was most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the ERS Board's new funding policy, the assumed investment rate of return was further reduced from 7.40% to 7.30% as of June 30, 2018 measurement date. On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total Pension Liability.

Teachers Retirement System of Georgia

Changes of benefit terms: There were no changes in benefits terms that affect the measurement of the total pension liability since the prior measurement date.

Changes of assumptions: On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. Effective with the June 30, 2018 valuation, the long-term assumed rate of return on assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was changed from 2.75% to 2.50%. In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - State as Employer Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' and non-employers' contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	ERS	TRS
Valuation date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar, closed	Level percent of payroll, closed
Remaining amortization period	15.3 years	25.6 years
Asset valuation method	5-year smoothed market	5-year smoothed fair
Inflation	2.75%	2.50%
Salary increases:	3.25 - 7.00%, including inflation	3.00 - 8.75%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation	7.25%, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases		1.50% semi-annually

Schedule includes all significant plans and funds administered by the State of Georgia

STATE OF GEORGIA

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REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Required Supplementary Information
Schedule of Employers' Contributions
Multi-Employer and Single-Employer OPEB Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency/ (Excess) (a - b)	Covered Payroll	Contributions as a Percentage of Covered Payroll (b/c)
State OPEB[1]	6/30/2013	$ 338,819	$ 181,504	$ 157,315	$ 2,328,334	7.80 %
	6/30/2014	321,456	177,045	144,411	2,293,104	7.72 %
	6/30/2015	275,681	267,235	8,446	2,333,060	11.45 %
	6/30/2016	259,250	574,015	(314,765)	2,404,901	23.87 %
	6/30/2017	202,092	498,202	(296,110)	2,483,060	20.06 %
	6/30/2018	232,161	501,574	(269,413)	2,535,722	19.78 %
	6/30/2019	218,962	534,673	(315,711)	2,802,815	19.08 %
	6/30/2020	210,034	150,489	59,545	2,797,241	5.38 %
	6/30/2021	178,423	151,709	26,714	2,815,892	5.39 %
	6/30/2022	152,792	161,693	(8,901)	2,673,570	6.05 %
School OPEB[1]	6/30/2013	$ 982,120	$ 362,527	$ 619,593	N/A	N/A
	6/30/2014	943,310	408,422	534,888	N/A	N/A
	6/30/2015	873,278	408,538	464,740	N/A	N/A
	6/30/2016	873,736	432,438	441,298	N/A	N/A
	6/30/2017	669,894	521,408	148,486	N/A	N/A
	6/30/2018	824,872	518,290	306,582	N/A	N/A
	6/30/2019	833,291	538,569	294,722	N/A	N/A
	6/30/2020	786,912	338,177	448,735	N/A	N/A
	6/30/2021	754,013	371,855	382,158	N/A	N/A
	6/30/2022	728,211	361,575	366,636	N/A	N/A

(continued)

1 Refer to the "Notes to the Required Supplementary Information" (Plan Perspective) for additional information regarding OPEB funding.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedule of Employers' Contributions
Multi-Employer and Single-Employer OPEB Plans
For the Last Ten Fiscal Years
(amounts in thousands)

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency/ (Excess) (a - b)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b/c)
Regents Plan[2,4,5]	6/30/2013	$ 362,426	$ 83,414	$ 279,012	$ 2,466,314	3.58 %
	6/30/2014	403,314	120,926	282,388	2,594,800	4.66 %
	6/30/2015	442,359	129,823	312,536	2,608,757	4.98 %
	6/30/2016	295,192	111,814	183,378	3,087,013	3.62 %
	6/30/2017	349,859	99,584	250,275	3,122,694 [3]	3.19 %
	6/30/2018	467,338	158,420	308,918	3,218,771	4.92 %
	6/30/2019	484,599	160,383	324,216	3,375,246	4.75 %
	6/30/2020	417,744	102,792	314,952	3,622,124	2.84 %
	6/30/2021	387,020	117,381	269,639	3,610,622	3.25 %
	6/30/2022	328,236	146,343	181,893	3,837,859	3.81 %
SEAD-OPEB[5]	6/30/2013	$ 5,009	$ 5,009	$ —	$ 1,855,185	0.27 %
	6/30/2014	—	—	—	N/A	N/A
	6/30/2015	—	—	—	N/A	N/A
	6/30/2016	—	—	—	N/A	N/A
	6/30/2017	—	—	—	N/A	N/A
	6/30/2018	—	—	—	N/A	N/A
	6/30/2019	—	—	—	N/A	N/A
	6/30/2020	—	—	—	N/A	N/A
	6/30/2021	—	—	—	N/A	N/A
	6/30/2022	—	—	—	N/A	N/A

2 For purposes of GASB 75, the Regents plans present Covered-Employee Payroll.

3 June 30, 2017 covered employee payroll for the Board of Regents Retiree Health Benefit Plan was restated.

4 Refer to the "Notes to the Required Supplementary Information" (Plan Perspective) for additional information regarding OPEB funding.

5 This data, except for annual covered payroll, was provided by each plan's actuary.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedule of Employers' Net OPEB Liability
Multi-Employer and Single-Employer OPEB Plans
For the Last Six Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
State OPEB Fund:				
Total OPEB liability	$ 2,250,451	$ 2,213,298	$ 2,792,919	$ 2,858,521
Plan fiduciary net position	1,801,133	1,938,443	1,667,521	1,617,207
Employers' net OPEB liability	$ 449,318	$ 274,855	$ 1,125,398	$ 1,241,314
Plan fiduciary net position as a percentage of the total OPEB liability	80.03 %	87.58 %	59.71 %	56.57 %
Covered payroll	$ 2,673,570	$ 2,815,892	$ 2,797,241	$ 2,802,815
Employers' net OPEB liability as a percentage of covered payroll	16.81 %	9.76 %	40.23 %	44.29 %
School OPEB Fund:				
Total OPEB liability	$10,554,743	$11,539,870	$15,298,688	$12,867,274
Plan fiduciary net position	651,562	709,042	611,017	595,129
Employers' net OPEB liability	$ 9,903,181	$10,830,828	$14,687,671	$12,272,145
Plan fiduciary net position as a percentage of the total OPEB liability	6.17 %	6.14 %	3.99 %	4.63 %
Covered payroll	N/A	N/A	N/A	N/A
Employers' net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A
SEAD-OPEB Plan:				
Total OPEB liability	$ 966,698	$ 950,995	$ 972,700	$ 951,091
Plan fiduciary net position	1,334,285	1,566,821	1,256,718	1,233,856
Employers' net OPEB (asset)	$ (367,587)	$ (615,826)	$ (284,018)	$ (282,765)
Plan fiduciary net position as a percentage of the total OPEB liability	138.03 %	164.76 %	129.20 %	129.73 %
Covered payroll	$ 982,303	$ 1,030,717	$ 1,135,433	$ 1,211,274
Employers' net OPEB (asset) as a percentage of covered payroll	(37.42%)	(59.75%)	(25.01%)	(23.34%)
Regents Plan:				
Total OPEB liability	$ 4,173,225	$ 5,228,380	$ 5,493,697	$ 4,616,023
Plan fiduciary net position	211,904	195,299	159,978	144,455
Employers' net OPEB liability	$ 3,961,321	$ 5,033,081	$ 5,333,719	$ 4,471,568
Plan fiduciary net position as a percentage of the total OPEB liability	5.08 %	3.74 %	2.91 %	3.13 %
Covered payroll*	$ 3,837,859	$ 3,610,622	$ 3,622,124	$ 3,375,246
Employers' net OPEB liability as a percentage of covered payroll	103.22 %	139.40 %	147.25 %	132.48 %

* June 30, 2017 covered employee payroll for the Board of Regents Retiree Health Benefit Plan was restated.

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018	2017
$ 3,817,453	$ 4,929,142
1,201,865	854,937
$ 2,615,588	$ 4,074,205
31.48 %	17.34 %
$ 2,535,722	$ 2,483,060
103.15 %	164.08 %
$ 13,092,956	$ 14,279,644
383,263	229,685
$ 12,709,693	$ 14,049,959
2.93 %	1.61 %
N/A	N/A
N/A	N/A
$ 918,816	$ 861,346
1,189,462	1,121,251
$ (270,646)	$ (259,905)
129.46 %	130.17 %
$ 1,328,485	$ 1,383,860
(20.37%)	(18.78%)
$ 4,486,796	$ 4,227,583
76,045	7,857
$ 4,410,751	$ 4,219,726
1.69 %	0.19 %
$ 3,218,771	$ 3,122,694
137.03 %	135.13 %

Required Supplementary Information
Schedule of Changes in Employers' Net OPEB Liability
Multi-Employer and Single-Employer OPEB Plans
For the Last Six Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
State OPEB Fund:				
Total OPEB liability:				
Service cost	$ 32,412	$ 40,439	$ 39,825	$ 63,724
Interest	149,226	191,884	203,201	194,860
Differences between expected and actual experience	18,509	(657,643)	(185,261)	(371,757)
Changes of assumptions	—	(4,268)	26,555	(676,765)
Benefit payments	(162,994)	(150,033)	(149,922)	(168,993)
Net change in total OPEB liability	37,153	(579,621)	(65,602)	(958,931)
Total OPEB liability-beginning	2,213,298	2,792,919	2,858,521	3,817,452
Total OPEB liability-ending (a)	2,250,451	2,213,298	2,792,919	2,858,521
Plan fiduciary net position:				
Contributions-employer	161,693	151,709	150,489	534,673
Net investment income	(134,599)	270,803	51,938	51,687
Benefit payments	(162,994)	(150,033)	(149,922)	(168,993)
Administrative expense	(1,410)	(1,557)	(2,191)	(2,025)
Net change in plan fiduciary net position	(137,310)	270,922	50,314	415,342
Plan fiduciary net position-beginning	1,938,443	1,667,521	1,617,207	1,201,865
Plan fiduciary net position-ending (b)	1,801,133	1,938,443	1,667,521	1,617,207
Net OPEB liability-ending (a)-(b)	$ 449,318	$ 274,855	$ 1,125,398	$ 1,241,314
School OPEB Fund:				
Total OPEB liability:				
Service cost	$ 499,105	$ 639,070	$ 458,802	$ 408,667
Interest	249,845	335,549	454,637	500,123
Differences between expected and actual experience	471,309	(4,394,955)	(619,357)	(1,298,677)
Changes of assumptions	(1,838,827)	29,294	2,473,164	503,959
Benefit payments	(366,559)	(367,776)	(335,832)	(339,754)
Net change in total OPEB liability	(985,127)	(3,758,818)	2,431,414	(225,682)
Total OPEB liability-beginning	11,539,870	15,298,688	12,867,274	13,092,956
Total OPEB liability-ending (a)	10,554,743	11,539,870	15,298,688	12,867,274
Plan fiduciary net position:				
Contributions-employer	361,575	371,855	338,177	538,569
Net investment income	(49,305)	97,704	18,795	17,468
Benefit payments	(366,559)	(367,776)	(335,832)	(339,754)
Administrative expense	(3,191)	(3,758)	(5,252)	(4,417)
Net change in plan fiduciary net position	(57,480)	98,025	15,888	211,866
Plan fiduciary net position-beginning	709,042	611,017	595,129	383,263
Plan fiduciary net position-ending (b)	651,562	709,042	611,017	595,129
Net OPEB liability-ending (a)-(b)	$ 9,903,181	$ 10,830,828	$ 14,687,671	$ 12,272,145

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

Schedule includes all significant plans and funds administered by the State of Georgia

	2018	2017
	$ 112,297	$ 119,686
	174,427	158,096
	(267,124)	—
	(963,394)	(383,932)
	(167,896)	(162,145)
	(1,111,690)	(268,295)
	4,929,142	5,197,437
	3,817,452	4,929,142
	501,574	498,202
	15,300	4,696
	(167,896)	(162,145)
	(2,052)	(2,077)
	346,926	338,676
	854,939	516,261
	1,201,865	854,937
	$ 2,615,587	$ 4,074,205
	$ 521,135	$ 557,770
	504,681	452,024
	(341,373)	—
	(1,506,313)	(1,262,291)
	(364,818)	(383,556)
	(1,186,688)	(636,053)
	14,279,644	14,915,697
	13,092,956	14,279,644
	518,290	521,408
	4,563	1,148
	(364,818)	(383,556)
	(4,457)	(4,727)
	153,578	134,273
	229,685	95,412
	383,263	229,685
	$ 12,709,693	$ 14,049,959

(continued)

Required Supplementary Information
Schedule of Changes in Employers' Net OPEB Liability
Multi-Employer and Single-Employer OPEB Plans
For the Last Six Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
SEAD-OPEB Plan:				
Total OPEB liability:				
Service cost	$ 2,551	$ 2,957	$ 3,237	$ 3,617
Interest	64,643	69,011	67,796	65,708
Differences between expected and actual experience	3,562	(2,342)	(4,670)	366
Changes of assumptions	—	(36,651)	—	—
Benefit payments	(55,053)	(54,680)	(44,754)	(37,416)
Net change in total OPEB liability	15,703	(21,705)	21,609	32,275
Total OPEB liability-beginning	950,995	972,700	951,091	918,816
Total OPEB liability-ending (a)	966,698	950,995	972,700	951,091
Plan fiduciary net position:				
Insurance premiums-member	2,641	2,817	3,088	3,328
Net investment income	(179,369)	362,663	65,248	79,193
Benefit payments	(55,053)	(54,680)	(44,754)	(37,416)
Administrative expense	(755)	(697)	(720)	(716)
Other	—	—	—	5
Net change in plan fiduciary net position	(232,536)	310,103	22,862	44,394
Plan fiduciary net position-beginning	1,566,821	1,256,718	1,233,856	1,189,462
Plan fiduciary net position-ending (b)	1,334,285	1,566,821	1,256,718	1,233,856
Net OPEB (asset)-ending (a)-(b)	$ (367,587)	$ (615,826)	$ (284,018)	$ (282,765)
Regents Plan:				
Total OPEB liability:				
Service cost	$ 139,285	$ 161,299	$ 226,810	$ 217,648
Interest	115,866	123,861	167,864	180,173
Benefit changes	—	—	(81,917)	(11,211)
Differences between expected and actual experience	(24,857)	89,218	94,948	(29,667)
Changes of assumptions	(1,179,498)	(538,325)	564,180	(129,153)
Benefit payments	(105,951)	(101,370)	(94,211)	(98,563)
Net change in total OPEB liability	(1,055,155)	(265,317)	877,674	129,227
Total OPEB liability-beginning	5,228,380	5,493,697	4,616,023	4,486,796
Total OPEB liability-ending (a)	4,173,225	5,228,380	5,493,697	4,616,023
Plan fiduciary net position:				
Contributions-employer	146,343	117,381	102,792	160,383
Net investment income	(22,284)	20,259	7,528	7,126
Benefit payments	(105,951)	(101,370)	(94,211)	(98,563)
Administrative expense	(1,503)	(949)	(586)	(536)
Net change in plan fiduciary net position	16,605	35,321	15,523	68,410
Plan fiduciary net position-beginning	195,299	159,978	144,455	76,045
Plan fiduciary net position-ending (b)	211,904	195,299	159,978	144,455
Net OPEB liability-ending (a)-(b)	$ 3,961,321	$ 5,033,081	$ 5,333,719	$ 4,471,568

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018	2017
$ 3,695	$ 3,959
63,242	61,076
4,697	—
22,085	—
(36,249)	(36,058)
57,470	28,977
861,346	832,369
918,816	861,346
3,599	3,793
101,542	125,550
(36,249)	(36,058)
(681)	(576)
—	1
68,211	92,710
1,121,251	1,028,541
1,189,462	1,121,251
$ (270,646)	$ (259,905)
$ 236,917	$ 211,513
158,223	124,612
—	—
264,729	123,090
(310,107)	(347,331)
(90,549)	(89,653)
259,213	22,231
4,227,583	4,205,352
4,486,796	4,227,583
158,420	99,584
802	72
(90,549)	(89,653)
(485)	(5,045)
68,188	4,958
7,857	2,899
76,045	7,857
$ 4,410,751	$ 4,219,726

Required Supplementary Information
Schedule of Investment Returns
Multi-Employer and Single-Employer OPEB Plans
For the Last Six Fiscal Years

	Annual money-weighted rate of return, net of investment expense					
	2022	**2021**	**2020**	**2019**	**2018**	**2017**
State OPEB Fund	(6.94%)	16.23%	3.21%	3.85%	1.54%	0.74%
School OPEB Fund	(6.93%)	15.91%	3.16%	3.80%	1.57%	0.78%
SEAD-OPEB Plan	(18.70%)	19.40%	(3.60%)	(1.80%)	0.60%	2.90%
Regents Plan	(11.15%)	12.00%	5.27%	7.99%	2.85%	0.99%

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

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - Plan Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of the OPEB liability/asset and required contributions.

State OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study.
- June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.5% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the TRS experience study. Approximately 6% of State OPEB employees are members of TRS.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

School OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study. Approximately 0.10% of employees are members of ERS.
- June 30, 2019 valuation: Decremental assumptions were changed to reflect the TRS experience study.
- June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.5%.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB Fund based on their last employer payroll location; irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - Plan Perspective:

SEAD-OPEB Plan

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Systems. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes were first reflected in the calculations of the June 30, 2021 Total OPEB Liability.
- On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

Regents Plan

Changes of benefit terms: HRA cost sharing for employees hired on or after January 1, 2013 and retiring after January 2018 is based on a policy that ties years of service to the amount the University System of Georgia contributes based on 22-tiers ranging from 100% for employees retiring with 30 years of service to 21% for employees retiring with 10 years of service.

Changes of assumptions:

- Expected claims were updated to reflect actual claims experience.
- Trend rate schedule was updated to anticipated future experience
- Mortality improvement scale was updated from MP-2020to MP-2021.
- Mortality base rates for future disabled participants were updated to reflect Pub-2010 for Teachers (headcount weighted) disabled mortality;
- The discount rate was updated from 2.18% as June 30, 2021 to 3.54% as of June 30, 2022.
- The Expected Return on Assets was changed from 4.37% to 4.36%.

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - Plan Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employers' contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported for State, School, and SEAD-OPEB Plan, and as of June 30, 2019 for the Regents Plan. The following actuarial methods and assumptions were used to determine the most recent contribution rates in the schedule:

	State OPEB	School OPEB
Valuation date	June 30, 2019	June 30, 2019
Actuarial cost method	Projected unit credit	Projected unit credit
Amortization method	Level percent of pay, open	Level percent of pay, open
Remaining amortization period	30 years	30 years
Asset Valuation method	Market Value	Market Value
Inflation	2.50%	2.50%
Healthcare cost trend rate		
Pre-Medicare Eligible	7.00%	7.00%
Medicare Eligible	5.25%	5.25%
Ultimate Trend Rate		
Pre-Medicare Eligible	4.50%	4.50%
Medicare Eligible	4.50%	4.50%
Year of ultimate trend rate	2029 Pre-Medicare Eligible 2023 Medicare Eligible	2029 Pre-Medicare Eligible 2023 Medicare Eligible
Investment Rate of return*	4.50%	4.50%

	SEAD-OPEB Plan	Regents Plan
Valuation date	June 30, 2019	May 1, 2022
Actuarial cost method	Entry Age	Entry Age Normal
Amortization method	Level percent, open	Closed amoritization period for unfunded and subsequent actuatial gains/losses
Remaining amortization period	Infinite	
Asset Valuation method	Fair Value	Fair Value
Inflation	2.75%	2.40%
Salary Increases	3.25 - 7.00%	3.75%
Healthcare cost trend rate		
Pre-Medicare Eligible	N/A	7.00%
Medicare Eligible	N/A	4.00%
Ultimate Trend Rate		
Pre-Medicare Eligible	N/A	4.50%
Medicare Eligible	N/A	4.00%
Year of ultimate trend rate	N/A	2034 Pre-Medicare Eligible 2022 Medicare Eligible
Investment Rate of return*	7.30%	4.36%

* Includes respective rates of inflation, net of investment expense.

The State OPEB Fund, School OPEB Fund, and the Regents Plan are funded on a pay-as-you go basis, and not funded based on the actuarially determined contributions.

Schedule includes all significant plans and funds administered by the State of Georgia.

Required Supplementary Information
Schedules of State's Contributions - As Employer
Multi-Employer OPEB Plans
For the last Five Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
Primary Government				
State OPEB Fund:				
Statutorily required contribution	$ 146,304	$ 138,733	$ 139,402	$ 493,986
Contributions in relation to the statutorily required contribution	(146,304)	(138,733)	(139,402)	(493,986)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 2,530,746	$ 2,456,217	$ 2,588,350	$ 2,636,539
Contributions as a percentage of the covered payroll	5.78 %	5.65 %	5.39 %	18.74 %
SEAD-OPEB Plan:				
Actuarially determined contribution	$ —	$ —	$ —	$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 916,501	$ 972,290	$ 1,068,459	$ 1,145,756
Contributions as a percentage of the covered payroll	N/A	N/A	N/A	N/A
Component Units				
State OPEB Fund:				
Statutorily required contribution	$ 265	$ 264	$ 270	$ 971
Contributions in relation to the statutorily required contribution	(265)	(264)	(270)	(971)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 15,617	$ 11,766	$ 12,240	$ 12,585
Contributions as a percentage of the covered payroll	1.70 %	2.24 %	2.21 %	7.72 %
School OPEB Fund:				
Statutorily required contribution	$ 2,299	$ 2,470	$ 2,315	$ 3,501
Contributions in relation to the statutorily required contribution	(2,299)	(2,470)	(2,315)	(3,501)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered-employee payroll*	$ 71,594	$ 73,098	$ 74,439	$ 68,679
Contributions as a percentage of the covered-employee payroll	3.21 %	3.38 %	3.11 %	5.10 %
SEAD-OPEB Plan:				
Actuarially determined contribution	$ —	$ —	$ —	$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 11,346	$ 11,450	$ 14,304	$ 14,739
Contributions as a percentage of the covered payroll	N/A	N/A	N/A	N/A

* current year amounts are estimates

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018
$ 461,566
(461,566)
$ —
$ 2,454,971
18.80 %
$ —
—
$ —
$ 1,247,936
N/A
$ 979
(979)
$ —
$ 13,038
7.51 %
$ 3,243
(3,243)
$ —
$ 65,272
4.97 %
$ —
—
$ —
$ 15,496
N/A

Required Supplementary Information

Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer

For the last Five Fiscal Years

(amounts in thousands)

	2022	2021	2020	2019
Primary Government				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	91.448130 %	92.138890 %	92.429945 %	92.022957 %
State's proportionate share of the net OPEB liability	$ 251,350	$ 1,036,929	$ 1,152,855	$ 2,409,618
State's covered payroll	$ 2,456,217	$ 2,588,350	$ 2,636,539	$ 2,454,971
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.23 %	40.06 %	43.73 %	98.15 %
Plan fiduciary net position as a percentage of the total OPEB liability	87.58 %	59.71 %	56.57 %	31.48 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	89.694827 %	89.669956 %	89.830175 %	89.813400% [1]
State's proportionate share of the net OPEB liability (asset)	$ (552,364)	$ (254,679)	$ (253,962)	$ (243,103)
State's covered payroll	$ 972,290	$ 1,068,459	$ 1,145,756	$ 1,247,936
State's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(56.81%)	(23.84%)	(22.17%)	(19.48%)
Plan fiduciary net position as a percentage of the total OPEB liability	164.76 %	129.20 %	129.73 %	129.46 %
Single-Employer Plan				
Regents Plan:				
State's proportion of the net OPEB liability	100.000000 %	100.000000 %	100.000000 %	100.000000 %
State's proportionate share of the net OPEB liability	$ 5,033,081	$ 5,333,719	$ 4,471,568	$ 4,410,751
State's covered-employee payroll	$ 3,610,622	$ 3,622,124	$ 3,375,246	$ 3,218,771
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	139.40 %	147.25 %	132.48 %	137.03 %
Plan fiduciary net position as a percentage of the total OPEB liability	3.74 %	2.91 %	3.13 %	1.69 %

[1] Prior year percentage calculation was updated.

2018
91.476285 %
$ 3,726,929
$ 2,305,259
161.67 %
17.34 %
89.559271 %
$ (232,195)
$ 1,247,936
(18.61%)
130.17 %
100.000000 %
$ 4,219,726
$ 3,122,694
135.13 %
0.19 %

(continued)

Required Supplementary Information
Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer
For the last Five Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
Component Units				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	0.174130 %	0.196236 %	0.197090 %	0.209969 %
State's proportionate share of the net OPEB liability	$ 479	$ 2,018	$ 2,253	$ 5,107
State's covered payroll	$ 11,766	$ 12,240	$ 12,585	$ 13,038
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	4.07 %	16.49 %	17.90 %	39.17 %
Plan fiduciary net position as a percentage of the total OPEB liability	87.58 %	59.71 %	56.57 %	31.48 %
School OPEB Fund:				
State's proportion of the net OPEB liability	0.663981 %	0.684502 %	0.650152 %	0.625763 %
State's proportionate share of the net OPEB liability	$ 71,915	$ 100,537	$ 79,788	$ 79,533
State's covered-employee payroll	$ 73,098	$ 74,439	$ 68,679	$ 65,272
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	98.38 %	135.06 %	116.18 %	121.85 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.14 %	3.99 %	4.63 %	2.93 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	1.056297 %	1.200696 %	1.155560 %	1.119336 %
State's proportionate share of the net OPEB liability (asset)	$ (6,444)	$ (3,377)	$ (3,237)	$ (3,000)
State's covered payroll	$ 11,450	$ 14,304	$ 14,739	$ 15,496
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	(56.28%)	(23.61%)	(21.96%)	(19.36%)
Plan fiduciary net position as a percentage of the total OPEB liability	164.76 %	129.20 %	129.73 %	129.46 %

The amounts presented for each fiscal year were determined as of the prior fiscal year-end.

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018
0.213868 %
$ 8,097
$ 12,526
64.64 %
17.34 %
0.598651 %
$ 84,110
$ 63,442
132.58 %
1.61 %
1.245396 %
$ (3,195)
$ 15,496
(20.62%)
130.17 %

Required Supplementary Information

Schedules of Emoloyers' Net OPEB Liability - As Employer

Single-Employer OPEB Plans

For the last Five Fiscal Years

(amounts in thousands)

	2022	2021	2020	2019
Regents Plan:				
Total OPEB liability	$ 5,228,380	$ 5,493,697	$ 4,616,023	$ 4,486,796
Plan fiduciary net position	195,299	159,978	144,455	76,045
Employers’ net OPEB liability	$ 5,033,081	$ 5,333,719	$ 4,471,568	$ 4,410,751
Plan fiduciary net position as a percentage of the total OPEB liability	3.74 %	2.91 %	3.13 %	1.69 %
Covered-employee payroll	$ 3,610,622	$ 3,622,124	$ 3,375,246	$ 3,218,771
Employers’ net OPEB liability as a percentage of covered-employee payroll	139.40 %	147.25 %	132.48 %	137.03 %

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018
$ 4,227,583
7,857
$ 4,219,726
0.19 %
$ 3,122,694
135.13 %

Required Supplementary Information
Schedule of Changes in Employers' Net OPEB Liability - As Employer
Single-Employer OPEB Plans
For the Last Five Fiscal Years
(amounts in thousands)

	2022	2021	2020	2019
Regents Plan:				
Total OPEB liability:				
Service cost	$ 161,299	$ 226,810	$ 217,648	$ 236,917
Interest	123,861	167,864	180,173	158,223
Benefit changes	—	(81,917)	(11,211)	—
Differences between expected and actual experience	89,218	94,948	(29,667)	264,729
Changes of assumptions	(538,325)	564,180	(129,153)	(310,107)
Benefit payments/Refunds	(101,370)	(94,211)	(98,563)	(90,549)
Refunds of contributions	—	—	—	—
Net change in total OPEB liability	(265,317)	877,674	129,227	259,213
Total OPEB liability-beginning	5,493,697	4,616,023	4,486,796	4,227,583
Total OPEB liability-ending (a)	5,228,380	5,493,697	4,616,023	4,486,796
Plan fiduciary net position:				
Contributions-employer	117,381	102,792	160,383	158,420
Net investment income	20,259	7,528	7,126	802
Benefit payments/Refunds	(101,370)	(94,211)	(98,563)	(90,549)
Administrative expense	(949)	(586)	(536)	(485)
Net change in plan fiduciary net position	35,321	15,523	68,410	68,188
Plan fiduciary net position-beginning	159,978	144,455	76,045	7,857
Plan fiduciary net position-ending (b)	195,299	159,978	144,455	76,045
Net OPEB liability-ending (a)-(b)	$ 5,033,081	$ 5,333,719	$ 4,471,568	$ 4,410,751

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

Schedule includes all significant plans and funds administered by the State of Georgia.

2018
$ 211,513
124,612
—
123,090
(347,331)
(89,653)
—
22,231
4,205,352
4,227,583
99,584
72
(89,653)
(5,045)
4,958
2,899
7,857
$ 4,219,726

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - State as Employer Perspective:

This note provides information about changes of benefit terms, changes of assumptions, and methods and assumptions used in calculations of the OPEB liability/asset and required contributions.

State OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:
- June 30, 2020 valuation: Decremental assumption were changed to reflect the ERS experience study.
- June 30, 2019 valuation: The inflation assumption was lowered from 2.75% to 2.5% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the TRS experience study. Approximately 6% of State OPEB employees are members of TRS.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised. The June 30,2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the state OPEB Fund based on their last employer payroll location, irrespective of retirement system affiliation. Additionally, there were changes the discount rate and an increase in the investment rate of return due to a longer term investment strategy.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

School OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:
- June 30, 2020 valuation: Decremental assumptions were changed to reflect the ERS experience study. Approximately 0.10% of employees are members of ERS.
- June 30, 2019 valuation: Decremental assumptions were changed to reflect the TRS experience study.
- June 30, 2018 valuation: The inflation assumption was lowered from 2.75% to 2.5%.
- June 30, 2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.
- June 30, 2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.
- June 30, 2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - State as Employer Perspective:

SEAD-OPEB Plan

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions:

- On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Systems. Primary among the changes were the updates to rates or mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 Total OPEB Liability.
- On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date.
- On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. The expectation of retired life mortality was changed to RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

Regents Plan

Changes of benefit terms: HRA cost sharing for employees hired on or after January 1, 2013 and retiring after January 1, 2018 is based on a policy that ties years of service to the amount the USG contributes based on 22-tiers ranging from 100% for employees who retiree with 30 years of service to 21% for employees retiring with 10 years of service.

Changes of assumptions:

- Expected claims costs were updated to reflect actual claims experience.
- Mortality improvement scales was updated from MP-2019 to MP-2020.
- The discount rate was updated from 2.21% as June 30, 2020 to 2.18% as of June 30, 2021.
- The disability rates were changed to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The salary scale was changed from 4.00% to 3.75% to be consistent with the Teacher's Retirement System of Georgia Pension June30, 2019 valuation report.
- The HRA annual increase assumption was updated from 4.50% to 4.00% to reflect general long term HRA employer marketplace trends that show HRA amounts increasing slightly lower than long term medical trends but higher than inflation.
- The Expected Return on Assets was updated from 3.75% to 4.37%.

Required Supplementary Information
Notes to Required Supplementary Information
Methods and Assumptions
Multi-Employer and Single-Employer OPEB Plans
For the Fiscal Year Ended June 30, 2022

Actuarial Methods and Assumptions - State as Employer Perspective:

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedules of employers' contributions are calculated as of June 30, as listed for all plans. The following actuarial methods and assumptions were used to determine the most recent contribution rates in those schedules:

	State OPEB	School OPEB
Valuation date	June 30, 2018	June 30, 2018
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of pay, open	Level percent of pay open
Remaining amortization period	30 years	30 years
Asset Valuation method	Market Value	Market Value
Inflation	2.75%	2.75%
Healthcare cost trend rate		
Pre-Medicare	7.25%	7.25%
Medicare Eligible	5.375%	5.375%
Investment Rate of return*	4.50%	4.50%

	SEAD-OPEB Plan	Regents Plan
Valuation date	June 30, 2018	May 1, 2021
Actuarial cost method	Entry Age	Entry Age Normal
Amortization method	Level percent, open	Closed amortization period for initial unfunded and subsequent actuarial gains/losses
Remaining amortization period	Infinite	30 year closed
Asset valuation method	Fair value	
Inflation	2.75%	2.10%
Salary Increases	3.25 - 7.00%	3.75%
Healthcare cost trend rate		
Pre-Medicare	N/A	6.40%
Medicare Eligible	N/A	4.50%
Investment Rate of return*	7.30%	4.37%

* Includes respective rates of inflation, net of investment expense.

The State OPEB Fund, School OPEB Fund, and the Regents Plan are funded on a pay-as-you go basis, and not funded based on the actuarially determined contributions.

Schedule includes all significant plans and funds administered by the State of Georgia.

COMBINING AND INDIVIDUAL FUND STATEMENTS


STATE OF GEORGIA
CONSTITUTION
WISDOM
JUSTICE
MODERATION
1776

NONMAJOR GOVERNMENTAL FUNDS


STATE OF GEORGIA
CONSTITUTION
WISDOM
JUSTICE
MODERATION
1776

SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specific purposes. The State's special revenue funds, other than the Transportation Investment Act Fund, include the blended component units that conduct general governmental functions as described below:

The **Georgia Aviation Authority** was created to provide oversight and efficient operation of state aircrafts and aviation operations, and ensure the safety of state air travelers and aviation property.

The **National Opioids Settlement Fund** was created for funds collected by the State for nationwide settlements to resolve opioids litigation brought by states and local political subdivisions against pharmaceutical distributors. These funds will be used for abatement of the opioid epidemic, with the majority of the proceeds restricted to funding future abatement efforts.

The **State Road and Tollway Authority** (SRTA) is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia.

The **Transportation Investment Act Fund** (TIA) accounts for funds collected by the State and dispensed to the Department of Transportation for TIA projects in the relevant special tax districts.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal and interest.

The **General Obligation Debt Sinking Fund** accounts for the payment of principal and interest on the State's general long-term debt.

The **State Road and Tollway Authority Debt Service Fund** accounts for the payment of principal and interest on the debt of the Authority's governmental funds. The Authority issues bonded debt which finances State transportation infrastructure construction. Debt service payments due on outstanding bonds are paid by the Authority from redirected funds from the U. S. Department of Transportation and/or State motor fuel tax funds.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

(amounts in thousands)

	Special Revenue			
	Georgia Aviation Authority	National Opioids Settlement Fund	State Road and Tollway Authority	Transportation Investment Act Fund
Assets				
Cash and Cash Equivalents	$ 185	$ —	$ 601,035	$ 327,663
Pooled Investments with State Treasury	—	—	11,867	—
Investments	—	—	—	201,374
Accounts Receivable	9	479,043	20,604	18,227
Due From Other Funds	—	—	1,190	—
Due From Component Units	—	—	539	—
Inventories	—	—	1	—
Restricted Assets				
Cash and Cash Equivalents	—	—	—	—
Pooled Investments with State Treasury	—	—	300,155	—
Total Assets	$ 194	$ 479,043	$ 935,391	$ 547,264
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Cash Overdraft	$ —	$ —	$ —	$ —
Accounts Payable and Other Accruals	61	—	4,712	3,761
Due to Other Funds	—	—	—	10,917
Contracts Payable	—	—	24,363	—
Bonds Payable	—	—	—	—
Interest Payable	—	—	—	—
Funds Held for Others	—	—	80	—
Unearned Revenue	—	—	189,353	—
Other Liabilities	—	—	1	—
Total Liabilities	61	—	218,509	14,678
Deferred Inflows of Resources	—	479,043	—	—
Fund Balances:				
Restricted	—	—	676,801	532,586
Unrestricted				
Assigned	133	—	40,081	—
Total Fund Balances	133	—	716,882	532,586
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 194	$ 479,043	$ 935,391	$ 547,264

Debt Service		
General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
$ 378,431	$ —	$ 1,307,314
—	—	11,867
—	—	201,374
—	—	517,883
—	90	1,280
—	—	539
—	—	1
—	7,470	7,470
—	644	300,799
$ 378,431	$ 8,204	$ 2,348,527
$ —	$ 17	$ 17
—	—	8,534
—	—	10,917
—	—	24,363
289,840	—	289,840
88,591	—	88,591
—	—	80
—	—	189,353
—	—	1
378,431	17	611,696
—	—	479,043
—	8,187	1,217,574
—	—	40,214
—	8,187	1,257,788
$ 378,431	$ 8,204	$ 2,348,527

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Special Revenue			
	Georgia Aviation Authority	National Opioids Settlement Fund	State Road and Tollway Authority	Transportation Investment Act Fund
Revenues				
Intergovernmental - Other	$ —	$ —	$ 71,522	$ 205,434
Sales and Services	119	—	—	—
Interest and Other Investment Income	—	—	776	(16,653)
Other	—	—	121	—
Total Revenues	119	—	72,419	188,781
Expenditures				
General Government	1,244	—	—	—
Transportation	—	—	145,298	50,202
Debt Service				
Principal	—	—	—	—
Interest	—	—	—	—
Accrued Interest on Bonds Retired in Advance	—	—	—	—
Discount on Bonds Retired in Advance	—	—	—	—
Other Debt Service Expenditures	—	—	—	—
Total Expenditures	1,244	—	145,298	50,202
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,125)	—	(72,879)	138,579
Other Financing Sources (Uses)				
Transfers In	—	—	70,948	—
Transfers Out	—	—	—	(54,977)
Net Other Financing Sources (Uses)	—	—	70,948	(54,977)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,125)	—	(1,931)	83,602
Fund Balances, July 1 - Restated (Note 3)	1,258	—	718,813	448,984
Fund Balances, June 30	$ 133	$ —	$ 716,882	$ 532,586

Debt Service		
General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
$ —	$ —	$ 276,956
—	—	119
—	643	(15,234)
—	—	121
—	643	261,962
—	—	1,244
—	10,681	206,181
1,078,665	57,565	1,136,230
488,405	27,057	515,462
10	—	10
298	—	298
143,517	—	143,517
1,710,895	95,303	2,002,942
(1,710,895)	(94,660)	(1,740,980)
1,710,895	84,622	1,866,465
—	—	(54,977)
1,710,895	84,622	1,811,488
—	(10,038)	70,508
—	18,225	1,187,280
$ —	$ 8,187	$ 1,257,788


STATE OF GEORGIA
CONSTITUTION
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NONMAJOR ENTERPRISE FUNDS


STATE OF GEORGIA
CONSTITUTION
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Description of Nonmajor Enterprise Funds

The Enterprise Funds account for the business type activities of smaller governmental agencies that are funded by the issuance of debt or fees charged to external customers. The State's Nonmajor Enterprise Funds are described below:

The State Employees' Assurance Department - Active is used to account for the accumulation of resources for the purpose of providing survivors' benefits for eligible members of the Employees', Judicial, and Legislative Retirement Systems. SEAD - Active is a cost-sharing multiple employer life insurance plan created in 2007 by the Georgia General Assembly to amend Title 47 of the Official Code of Georgia Annotated, relating to retirement, so as to establish a fund for the provision of term life insurance to active members of ERS, LRS, and GJRS.

The Georgia Higher Education Facilities Authority is a legally separate public corporation created for the purpose of financing eligible construction, renovation, improvement, and rehabilitation or restoration projects for the Board of Regents of the University System of Georgia and the Technical College System of the State of Georgia through the issuance of revenue bonds. The Authority issues debt and enters into lease agreements. The current lease agreements outstanding are with an affiliate of the University System of Georgia Foundation, Inc. (nonmajor enterprise fund). The costs of the Authority's debt are recovered through lease payments from the Higher Education Foundations.

The **State Road and Tollway Authority (SRTA)** is a legally separate public corporation created to finance transportation projects and operate toll facilities in the State of Georgia. SRTA uses an enterprise fund to account for all tolling activities, including the including the I-75 South Metro Express Lanes, and all other facilities of the tolling system (i.e. the I-85 Express Lanes, the I-85 Extension Express Lanes, the I-75 Northwest Corridor Express Lanes, and five future toll facilities under planning and/or construction).

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2022
(amounts in thousands)

	State Employees' Assurance Department - Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 82	$ 3	$ 112,165	$ 112,250
Pooled Investments with State Treasury	—	466	46,561	47,027
Investments	357,357	—	—	357,357
Accounts Receivable (Net)	—	308	1,144	1,452
Due from Other Funds	61	—	—	61
Due from Component Units	—	170,450	—	170,450
Inventories	—	—	164	164
Other Assets	—	—	11	11
Restricted Assets:				
Pooled Investments with State Treasury	—	—	68,329	68,329
Investments	—	—	11,545	11,545
Total Current Assets	357,500	171,227	239,919	768,646
Noncurrent Assets:				
Other Noncurrent Assets	—	—	6,418	6,418
Restricted Assets:				
Net OPEB Asset	—	—	973	973
Non-depreciable Capital Assets	—	—	21,296	21,296
Depreciable Capital Assets, net	—	—	16,110	16,110
Right-to-Use Assets (Net)	—	—	8,741	8,741
Total Noncurrent Assets	—	—	53,538	53,538
Total Assets	357,500	171,227	293,457	822,184
Deferred Outflows of Resources	—	16,228	4,491	20,719
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	48	—	7,993	8,041
Due to Other Funds	—	—	270	270
Unearned Revenue	—	—	16,852	16,852
Compensated Absences Payable	—	—	728	728
Lease Obligations				
External	—	—	661	661
Revenue Bonds Payable	—	6,467	—	6,467
Other Current Liabilities	—	308	6,550	6,858
Current Liabilities Payable from Restricted Assets	—	—	—	—
Total current Liabilities	48	6,775	33,054	39,877
Noncurrent Liabilities:				
Compensated Absences Payable	—	—	190	190
Lease Obligations				
External	—	—	8,272	8,272
Revenue Bonds Payable	—	178,732	424,833	603,565
Net OPEB Liability	—	—	733	733
Net Pension Liability	—	—	5,174	5,174
Total Noncurrent Liabilities	—	178,732	439,202	617,934
Total Liabilities	48	185,507	472,256	657,811
Deferred Inflows of Resources	—	—	8,491	8,491
Net Position				
Net Investment in Capital Assets	—	—	29,818	29,818
Restricted for:				
Bond Covenants/Debt Service	—	—	25,693	25,693
Other Benefits	357,452	—	—	357,452
Other	—	—	657	657
Unrestricted	—	1,948	(238,967)	(237,019)
Total Net Position	$ 357,452	$ 1,948	$ (182,799)	$ 176,601

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	State Employees' Assurance Department-Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Operating Revenues:				
Operating Contributions/Premiums	$ 479	$ —	$ —	$ 479
Sales and Services	—	7,679	62,025	69,704
Total Operating Revenues	479	7,679	62,025	70,183
Operating Expenses:				
Personal Services	84	2	7,567	7,653
Services and Supplies	—	10	4,379	4,389
Interest Expense	—	7,679	—	7,679
Benefits	3,333	—	—	3,333
Amortization/Depreciation	—	(625)	12,112	11,487
Other	—	—	18,874	18,874
Total Operating Expenses	3,417	7,066	42,932	53,415
Operating Income	(2,938)	613	19,093	16,768
Nonoperating Revenues (Expenses):				
Interest and Other Investment Income/(Loss)	(47,867)	3	743	(47,121)
Interest Expense	(66)	—	(13,558)	(13,624)
Total Nonoperating Revenues (Expenses)	(47,933)	3	(12,815)	(60,745)
Income (Loss) Before Contributions and Transfers	(50,871)	616	6,278	(43,977)
Transfers:				
Transfers In	—	—	25,335	25,335
Transfers Out	—	—	(25,335)	(25,335)
Net Transfers	—	—	—	—
Change in Net Position	(50,871)	616	6,278	(43,977)
Net Position, July 1 - Restated (Note 3)	408,323	1,332	(189,077)	220,578
Net Position, June 30	$ 357,452	$ 1,948	$ (182,799)	$ 176,601

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	State Employees' Assurance Department-Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Cash Flows from Operating Activities:				
Cash Received from Customers	$ 479	$ —	$ 54,932	$ 55,411
Cash Paid to Vendors	(3,415)	(9)	(24,345)	(27,769)
Cash Paid to Employees	—	—	(6,029)	(6,029)
Other Operating Payments	—	—	(578)	(578)
Net Cash Provided by Operating Activities	(2,936)	(9)	23,980	21,035
Cash Flows from Noncapital Financing Activities:				
Interest Paid on Bonds/Long-Term Debt	—	(7,692)	—	(7,692)
Transfers from Other Funds	—	—	25,335	25,335
Transfers to Other Funds	—	—	(25,335)	(25,335)
Payments on Noncapital Financing Debt	—	(6,110)	—	(6,110)
Net Cash Used in Noncapital Financing Activities	—	(13,802)	—	(13,802)
Cash Flows from Capital and Related Financing Activities:				
Loss on Early Retirement of Debt	—	—	(9,746)	(9,746)
Proceeds from Capital Debt	—	—	427,533	427,533
Acquisition and Construction of Capital and Right-to-Use Assets	—	—	(7,514)	(7,514)
Principal Paid on Capital Debt and Leases	—	—	(330,235)	(330,235)
Interest Paid on Capital Debt and Leases	—	—	(7,106)	(7,106)
Net Cash Provided by (Used in) Capital and Related Financing Activities	—	—	72,932	72,932
Cash Flows from Investing Activities:				
Proceeds from Sales of Investments	2,901	—	—	2,901
Purchase of Investments	—	—	(11,545)	(11,545)
Interest and Dividends Received	—	1	743	744
Other Investing Activities	(66)	13,802	—	13,736
Net Cash Provided by (Used in) Investing Activities	2,835	13,803	(10,802)	5,836
Net Increase (Decrease) in Cash and Cash Equivalents	(101)	(8)	86,110	86,001
Cash and Cash Equivalents, July 1 - Restated (Note 3)	183	477	140,945	141,605
Cash and Cash Equivalents, June 30	$ 82	$ 469	$ 227,055	$ 227,606
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Operating Income	$ (2,938)	$ 613	$ 19,093	$ 16,768
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Amortization/Depreciation Expense	—	(625)	12,112	11,487
Changes in Assets and Liabilities:				
Accounts Receivable	—	16	586	602
Due from Other Funds	—	—	26,318	26,318
Other Assets	—	—	(38)	(38)
Net OPEB Asset	—	—	(443)	(443)
Deferred Outflows of Resources	—	—	(878)	(878)
Accounts Payable and Other Accruals	2	(13)	1,247	1,236
Due to Other Funds	—	—	(26,318)	(26,318)
Unearned Revenue	—	—	(6,699)	(6,699)
Compensated Absences	—	—	21	21
Net OPEB Liability	—	—	(4,859)	(4,859)
Net Pension Liability	—	—	(1,929)	(1,929)
Deferred Inflows of Resources	—	—	5,767	5,767
Net Cash Provided by (Used in) Operating Activities	$ (2,936)	$ (9)	$ 23,980	$ 21,035

INTERNAL SERVICE FUNDS

STATE OF GEORGIA

CONSTITUTION

WISDOM JUSTICE MODERATION

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Description of Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The State's internal service funds are described below:

The **Department of Administrative Services** delivers a variety of supportive services to all state agencies and, upon request, to local governments in Georgia. Among the services provided are purchasing (procurement), surplus property transactions, document services, fleet management, and human resources administration.

The **Georgia Building Authority** is responsible for all services associated with the management of State office buildings, maintaining the grounds within the State Capitol complex, maintaining the Governor's Mansion and operating parking facilities.

The **Georgia Correctional Industries Administration** utilizes the inmate work force to manufacture products and provide services for the penal system, other units of state government and local governments.

The **Risk Management** column is an accumulation of the funds used to account for the State's self-insurance programs established by individual agreement, statute or administrative action:

> The **Cyber Insurance Coverage Fund** was created for the development of a cyber insurance product for direct loss and out of pocket expenses incurred as a result of damage to data, systems or income defense and liability incurred as a result of employees' actions. Department of Administrative Services (DOAS) engaged with an insurance broker to develop an underwriting submission to present to the commercial insurance underwriters. DOAS Risk Management Services manages the insurance product with assistance from Georgia Technology Authority.
>
> The **Liability Insurance Fund** is used to account for the accumulation of funds for the purpose of providing liability insurance coverage for employees of the State against personal liability for damages arising out of performance of their duties.
>
> The **Property Insurance Fund** is used to account for the assessment of premiums against various state agencies for the purpose of providing property, fire and extended coverage, automobile, aircraft and marine insurance.
>
> The **State Indemnification Fund** is used to account for the accumulation of funds for the purpose of providing indemnification with respect to the death of any law enforcement officer, fireman or prison guard killed in the line of duty.
>
> The **Teacher Indemnification Fund** is used to account for the accumulation of funds for the purpose of providing indemnification with respect to the death of any public school employees killed or permanently disabled by an act of violence in the line of duty on or after July 1, 2001.
>
> The **Unemployment Compensation Fund** was created for the purpose of consolidating processing of unemployment compensation claims against state agencies and the payment of sums due to the Department of Labor.
>
> The **Workers' Compensation Fund** was established to authorize insurance coverage for employees of the State and for the receipt of premiums as prescribed by the Workers' Compensation statutes of the State.

The **Georgia Technology Authority** was created to provide technology enterprise management and technology portfolio management to state and local governments.

Combining Statement of Net Position
Internal Service Funds
June 30, 2022
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 5,552	$ 33	$ 5,216
Pooled Investments with State Treasury	562	500,781	1,067
Accounts Receivable (Net)	714	1,570	3,535
Leases from			
External	—	8,713	—
Due from Other Funds	—	—	755
Due from Component Units	—	—	—
Inventories	—	489	20,910
Other Assets	—	150	1
Total Current Assets	6,828	511,736	31,484
Noncurrent Assets:			
Investments	—	—	—
Leases from			
External	—	37,726	—
Restricted Assets:			
Net OPEB Asset	668	1,523	1,958
Non-depreciable Capital Assets	—	29,930	7,017
Depreciable Capital Assets (Net)	—	308,227	5,975
Right-to-Use Assets (Net)	5	28,713	595
Total Noncurrent Assets	673	406,119	15,545
Total Assets	7,501	917,855	47,029
Deferred Outflows of Resources	2,194	4,947	5,613
Liabilities			
Current Liabilities:			
Cash Overdraft	—	—	—
Accounts Payable and Other Accruals	236	2,468	8,013
Due to Other Funds	—	7	6
Unearned Revenue	—	144	—
Notes and Loans Payable			
Policy Claims and Uninsured Liabilities	—	—	—
Compensated Absences Payable	—	806	540
Lease Obligations			
External	2	6,909	350
Other Current Liabilities	1,911	—	—
Total Current Liabilities	2,149	10,334	8,909
Noncurrent Liabilities:			
Compensated Absences Payable	—	—	1,225
Lease Obligations			
External	3	28,554	247
Net OPEB Liability	272	707	829
Net Pension Liability	2,726	6,508	7,521
Total Noncurrent Liabilities	3,001	35,769	9,822
Total Liabilities	5,150	46,103	18,731
Deferred Inflows of Resources	4,011	54,137	10,956
Net Position			
Net Investment in Capital Assets	—	331,408	12,988
Restricted for:			
Other Purpose	417	980	1,247
Unrestricted	117	490,174	8,720
Total Net Position	$ 534	$ 822,562	$ 22,955

Risk Management (see combining)	Georgia Technology Authority	Total
$ —	$ 10,041	$ 20,842
193,524	67,469	763,403
115,294	5,053	126,166
—	—	8,713
815,701	29,366	845,822
—	32	32
—	—	21,399
1,306	—	1,457
1,125,825	111,961	1,787,834
405	—	405
—	—	37,726
326	4,831	9,306
—	—	36,947
—	648	314,850
—	142,763	172,076
731	148,242	571,310
1,126,556	260,203	2,359,144
930	10,589	24,273
2,768	—	2,768
2,499	38,543	51,759
—	—	13
—	547	691
1,072,307	—	1,072,307
—	617	1,963
—	25,391	32,652
31	20	1,962
1,077,605	65,118	1,164,115
—	1,731	2,956
—	112,182	140,986
134	1,395	3,337
1,218	13,578	31,551
1,352	128,886	178,830
1,078,957	194,004	1,342,945
1,783	20,216	91,103
—	2,154	346,550
57	2,969	5,670
46,689	51,449	597,149
$ 46,746	$ 56,572	$ 949,369

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Operating Revenues:			
Operating Contributions/Premiums	$ —	$ —	$ —
Operating Grants	34	—	—
Rents and Royalties	—	35,623	—
Sales and Services	5,231	12,858	72,761
Other	—	222	—
Total Operating Revenues	5,265	48,703	72,761
Operating Expenses:			
Personal Services	3,710	10,234	12,597
Services and Supplies	8,589	27,048	58,190
Claims and Judgments	—	—	—
Amortization/Depreciation	5	24,647	2,078
Total Operating Expenses	12,304	61,929	72,865
Operating Income (Loss)	(7,039)	(13,226)	(104)
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	5	404	2
Nonoperating Grants & Contributions	6,695	—	—
Other	(4,975)	(4)	357
Total Nonoperating Revenues (Expenses)	1,725	400	359
Income (Loss) Before Contributions and Transfers	(5,314)	(12,826)	255
Capital Contributions	—	5,724	104
Transfers:			
Transfers In	5,848	477,500	—
Net Transfers	5,848	477,500	—
Change in Net Position	534	470,398	359
Net Position, July 1 (restated)	—	352,164	22,596
Net Position, June 30	$ 534	$ 822,562	$ 22,955

Risk Management (see combining)	Georgia Technology Authority	Total
$ 103,754	$ —	$ 103,754
243	—	277
—	—	35,623
193	240,460	331,503
—	—	222
104,190	240,460	471,379
2,225	19,203	47,969
43,693	176,645	314,165
234,310	—	234,310
—	27,764	54,494
280,228	223,612	650,938
(176,038)	16,848	(179,559)
598	149	1,158
—	—	6,695
3,519	(154)	(1,257)
4,117	(5)	6,596
(171,921)	16,843	(172,963)
—	9,219	15,047
169,155	—	652,503
169,155	—	652,503
(2,766)	26,062	494,587
49,512	30,510	454,782
$ 46,746	$ 56,572	$ 949,369

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 346	$ 30,793	$ 15,176
Cash Received from Other Funds (Internal Activity)	5,704	9,061	57,565
Cash Paid to Vendors	(8,665)	(30,689)	(55,225)
Cash Paid to Employees	(5,138)	(3,211)	(15,588)
Cash Paid for Claims and Judgments	—	—	—
Other Operating Receipts	1,069	—	—
Other Operating Payments	—	—	—
Net Cash Provided by (Used in) Operating Activities	(6,684)	5,954	1,928
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	5,848	477,500	—
Other Noncapital Receipts	8,415	—	358
Other Noncapital Payments	(6,695)	—	—
Net Cash Provided by (Used in) Noncapital Financing Activities	7,568	477,500	358
Cash Flows from Capital and Related Financing Activities:			
Capital Contributions	—	5,724	—
Proceeds from Sale of Capital Assets	—	25	104
Acquisition and Construction of Capital Assets	—	(17,775)	(948)
Principal Paid on Capital Debt	—	(6,867)	(335)
Interest Paid on Capital Debt	(5)	(1,226)	—
Net Cash Used in Capital and Related Financing Activities	(5)	(20,119)	(1,179)
Cash Flows from Investing Activities:			
Proceeds from Sales of Investments	—	—	—
Purchase of Investments	—	—	—
Interest and Dividends Received	5	1,631	2
Net Cash Provided by Investing Activities	5	1,631	2
Net Increase (Decrease) in Cash and Cash Equivalents	884	464,966	1,109
Cash and Cash Equivalents, July 1	5,230	35,848	5,174
Cash and Cash Equivalents, June 30	$ 6,114	$ 500,814	$ 6,283

Risk Management (see combining)	Georgia Technology Authority	Total
$ 30,386	$ 167,258	$ 243,959
153,525	67,205	293,060
(47,138)	(175,642)	(317,359)
(2,286)	(25,464)	(51,687)
(196,659)	—	(196,659)
—	—	1,069
—	(574)	(574)
(62,172)	32,783	(28,191)
169,155	—	652,503
3,519	—	12,292
—	(4,721)	(11,416)
172,674	(4,721)	653,379
—	9,219	14,943
—	—	129
—	(90,635)	(109,358)
—	61,426	54,224
—	1,228	(3)
—	(18,762)	(40,065)
21,925	—	21,925
(405)	—	(405)
599	149	2,386
22,119	149	23,906
132,621	9,449	609,029
58,135	68,061	172,448
$ 190,756	$ 77,510	$ 781,477

(continued)

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ (7,039)	$ (13,226)	$ (104)
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Amortization/Depreciation Expense	5	24,647	2,078
Other Reconciling Items			
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable	500	(812)	(596)
Due from Other Funds	284	—	576
Due from Component Units	—	—	—
Other Assets	(365)	(802)	(1,024)
Net OPEB Asset	—	(7,974)	(1,867)
Deferred Outflows of Resources	(555)	(1,599)	(1,068)
Accounts Payable and Other Accruals	(60)	(278)	5,330
Due to Other Funds	(14)	(762)	(497)
Unearned Revenue	—	44	—
Claims and Judgments Payable	—	—	—
Compensated Absences Payable	—	(2)	143
Net OPEB Liability	(813)	(2,095)	(2,566)
Net Pension Liability	(2,531)	(4,666)	(5,844)
Other Liabilities	1,073	35	—
Deferred Inflows of Resources	2,831	13,444	7,367
Net Cash Provided by (Used in) Operating Activities	$ (6,684)	$ 5,954	$ 1,928
Noncash Investing, Capital, and Financing Activities:			
Change in Fair Value of Investments	$ —	$ —	$ —

Risk Management (see combining)	Georgia Technology Authority	Total
$ (176,038)	$ 16,848	$ (179,559)
—	27,764	54,494
(6,091)	(3,225)	(10,224)
85,811	(2,806)	83,865
—	36	36
(187)	(2,768)	(5,146)
294	364	(9,183)
(319)	(4,619)	(8,160)
(3,444)	71	1,619
(149)	—	(1,422)
—	547	591
37,649	—	37,649
—	(389)	(248)
(215)	(3,932)	(9,621)
(749)	(8,578)	(22,368)
9	(555)	562
1,257	14,025	38,924
$ (62,172)	$ 32,783	$ (28,191)
$ (20)	$ —	$ (20)

Combining Statement of Net Position
Internal Service Funds
Risk Management
June 30, 2022
(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Assets			
Current Assets:			
Cash and Cash Equivalents	$ —	$ —	$ —
Pooled Investments with State Treasury	2,733	8,432	28,551
Accounts Receivable (Net)	65	49,695	398
Due From Other Funds	—	239,981	—
Other Assets	—	—	1,270
Total Current Assets	2,798	298,108	30,219
Noncurrent Assets:			
Investments	6	18	51
Restricted Assets:			
Net OPEB Asset	—	100	85
Total Noncurrent Assets	6	118	136
Total Assets	2,804	298,226	30,355
Deferred Outflows of Resources	—	204	216
Liabilities			
Current Liabilities:			
Cash Overdraft	34	89	5,182
Accounts Payable and Other Accruals	90	2,409	—
Policy Claims and Uninsured Liabilities	—	295,203	8,602
Other Current Liabilities	—	11	7
Total Current Liabilities	124	297,712	13,791
Noncurrent Liabilities:			
Net OPEB Liability	—	41	35
Net Pension Liability	—	248	276
Total Noncurrent Liabilities	—	289	311
Total Liabilities	124	298,001	14,102
Deferred Inflows of Resources	—	429	426
Net Position			
Restricted for:			
Other Purpose	—	—	53
Unrestricted	2,680	—	15,990
Total Net Position	$ 2,680	$ —	$ 16,043

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ 3,413	$ —	$ —	$ —	$ 3,413
—	3,412	25,929	124,467	193,524
—	—	130	65,006	115,294
—	—	—	575,720	815,701
—	—	4	32	1,306
3,413	3,412	26,063	765,225	1,129,238
—	7	56	267	405
2	—	2	137	326
2	7	58	404	731
3,415	3,419	26,121	765,629	1,129,969
7	—	28	475	930
—	42	320	514	6,181
—	—	—	—	2,499
3,266	3	1,226	764,007	1,072,307
—	—	—	13	31
3,266	45	1,546	764,534	1,081,018
1	—	1	56	134
9	—	42	643	1,218
10	—	43	699	1,352
3,276	45	1,589	765,233	1,082,370
13	—	44	871	1,783
2	—	2	—	57
131	3,374	24,514	—	46,689
$ 133	$ 3,374	$ 24,516	$ —	$ 46,746

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Risk Management
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Operating Revenues:			
Operating Contributions/Premiums	$ 2,315	$ 102,842	$ 20,258
Operating Grants	—	—	—
Sales and Services	—	—	—
Total Operating Revenues	2,315	102,842	20,258
Operating Expenses:			
Personal Services	5	405	526
Services and Supplies	1,405	6,236	27,485
Claims and Judgments	—	95,558	11,982
Total Operating Expenses	1,410	102,199	39,993
Operating Income (Loss)	905	643	(19,735)
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	(45)	(684)	(1,029)
Other	—	—	—
Total Nonoperating Revenues (Expenses)	(45)	(684)	(1,029)
Income (Loss) Before Transfers	860	(41)	(20,764)
Transfers:			
Transfers In	—	41	18,630
Net Transfers	—	41	18,630
Change in Net Position	860	—	(2,134)
Net Position, July 1 - (restated)	1,820	—	18,177
Net Position, June 30	$ 2,680	$ —	$ 16,043

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ —	$ —	$ 3,918	$ (25,579)	$ 103,754
—	—	—	243	243
193	—	—	—	193
193	—	3,918	(25,336)	104,190
(2)	—	41	1,250	2,225
—	—	40	8,527	43,693
2,877	—	1,902	121,991	234,310
2,875	—	1,983	131,768	280,228
(2,682)	—	1,935	(157,104)	(176,038)
7	(135)	(1,047)	3,531	598
—	—	—	3,519	3,519
7	(135)	(1,047)	7,050	4,117
(2,675)	(135)	888	(150,054)	(171,921)
430	—	—	150,054	169,155
430	—	—	150,054	169,155
(2,245)	(135)	888	—	(2,766)
2,378	3,509	23,628	—	49,512
$ 133	$ 3,374	$ 24,516	$ —	$ 46,746

Combining Statement of Cash Flows
Internal Service Funds
Risk Management
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 735	$ 27,778	$ 6,583
Cash Received from Other Funds (Internal Activity)	1,549	18,992	13,878
Cash Paid to Vendors	(1,404)	(6,149)	(27,484)
Cash Paid to Employees	(5)	(777)	(807)
Cash Paid for Claims and Judgments	—	(45,148)	(11,737)
Net Cash Provided by (Used in) Operating Activities	875	(5,304)	(19,567)
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	—	41	18,630
Other Noncapital Receipts	—	—	—
Net Cash Provided by (Used in) Noncapital Financing Activities	—	41	18,630
Cash Flows from Investing Activities:			
Proceeds from Sales and Maturities of Investments	538	4,104	7,282
Purchase of Investments	(6)	(18)	(51)
Interest and Dividends Received	(45)	(684)	(1,029)
Net Cash Provided by (Used in) Investing Activities	487	3,402	6,202
Net Increase (Decrease) in Cash and Cash Equivalents	1,362	(1,861)	5,265
Cash and Cash Equivalents, July 1	1,337	10,204	18,104
Cash and Cash Equivalents, June 30	$ 2,699	$ 8,343	$ 23,369
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ 905	$ 643	$ (19,735)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by (Used in) Operating Activities:			
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable	(30)	(16,524)	204
Due from Other Funds	—	(39,550)	—
Net OPEB Asset	—	(57)	(48)
Other Assets	—	—	(124)
Deferred Outflows of Resources	—	(1)	(71)
Accounts Payable and Other Accruals	—	88	—
Due to Other Funds	—	—	—
Claims and Judgments Payable	—	50,410	245
Net OPEB Liability	—	(112)	(97)
Net Pension Liability	—	(474)	(229)
Other Liabilities	—	5	2
Deferred Inflows of Resources	—	268	286
Net Cash Provided by (Used in) Operating Activities	$ 875	$ (5,304)	$ (19,567)
Noncash Investing Activities:			
Change in Fair Value of Investments	$ (59)	$ (795)	$ (1,169)

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ 62	$ —	$ 1,258	$ (6,030)	$ 30,386
131	—	6,171	112,804	153,525
(2)	—	(3,571)	(8,528)	(47,138)
(2)	—	(2)	(693)	(2,286)
(1,154)	(1)	(4,103)	(134,516)	(196,659)
(965)	(1)	(247)	(36,963)	(62,172)
430	—	—	150,054	169,155
—	—	—	3,519	3,519
430	—	—	153,573	172,674
—	1,007	7,733	1,261	21,925
—	(7)	(56)	(267)	(405)
7	(134)	(1,047)	3,531	599
7	866	6,630	4,525	22,119
(528)	865	6,383	121,135	132,621
3,941	2,505	19,226	2,818	58,135
$ 3,413	$ 3,370	$ 25,609	$ 123,953	$ 190,756
$ (2,682)	$ —	$ 1,935	$ (157,104)	$ (176,038)
—	—	3,511	6,748	(6,091)
—	—	—	125,361	85,811
(1)	—	(1)	(80)	(187)
—	—	—	418	294
(1)	—	(23)	(223)	(319)
(1)	—	(3,531)	—	(3,444)
—	—	—	(149)	(149)
1,722	(1)	(2,201)	(12,526)	37,649
(3)	—	(3)	—	(215)
(8)	—	27	(65)	(749)
—	—	(1)	3	9
9	—	40	654	1,257
$ (965)	$ (1)	$ (247)	$ (36,963)	$ (62,172)
$ —	$ (158)	$ (1,219)	$ 3,380	$ (20)


STATE OF GEORGIA
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FIDUCIARY FUNDS

STATE OF GEORGIA

CONSTITUTION

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Fiduciary funds are used to account for assets held by the State in a fiduciary capacity. The State has the following fiduciary funds.

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Pension and Other Employee Benefit Trust Funds are used to account for activities and balances of the public employee retirement systems and other employee benefit plans. The State's pension and other employee benefit trust funds are described below:

Pension Trust Funds

Defined Benefit Pension Plans

The **Employees' Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for qualified employees of the State and its political subdivisions.

The **Firefighters' Pension Fund** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the firefighters of the State.

The **Georgia Judicial Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for trial judges and solicitors of certain courts in Georgia, and their survivors and beneficiaries, superior court judges of the State, and district attorneys of the State.

Other Defined Benefit Plans is comprised of the following smaller plans:

The **District Attorneys Retirement Fund** (old plan) is used to account for the accumulation of resources for the purpose of paying retirement benefits to the district attorneys of the State.

The **Augusta University Early Retirement Pension Plan** is a single-employer defined benefit pension plan designed to provide eligible participants additional benefits above the amounts payable through Teachers Retirement System of Georgia (TRS). The plan was designed to allow vested employees aged 55 or employees of any age with 25 years of creditable service to retire without penalties as applied by the TRS for early retirement.

The **Judges of the Probate Courts Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the judges of the Probate Courts of the State.

The **Legislative Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits for all members of the Georgia General Assembly.

The **Magistrates Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of providing retirement benefits for those serving as duly qualified and commissioned chief magistrates of counties in the State.

The **Georgia Military Pension Fund** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits to members of the Georgia National Guard.

The **Sheriffs' Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the sheriffs of the State.

The **Superior Court Clerks' Retirement Fund of Georgia** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the Superior Court clerks of the State.

The **Superior Court Judges Retirement Fund of Georgia** (old plan) is used to account for the accumulation of resources for the purpose of paying retirement benefits to the Superior Court judges of the State.

The **Peace Officers' Annuity and Benefit Fund** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the peace officers of the State.

The **Public School Employees Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia.

The **Teachers Retirement System of Georgia** is used to account for the accumulation of resources for the purpose of providing retirement allowances and other benefits for teachers and administrative personnel employed in State public schools and the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and for certain other designated employees in educational-related work.

Defined Contribution / Deferred Compensation Pension Plans

The **Georgia Defined Contribution Plan** is used to account for the accumulation of resources for the purpose of providing retirement allowances for State employees who are not members of a public retirement or pension system.

The **Deferred Compensation Plans** are used to account for the accumulation of resources for the purpose of providing retirement allowances for State and Board of Regents employees and employees of Community Service Boards who elect to defer a portion of their annual salary until future years.

Other Postemployment Benefit Plans

The **Board of Regents Retiree Health Benefit Fund** is used to account for the accumulation of resources necessary to meet employer costs of retiree post-employment health insurance benefits.

The **Georgia State Employees Post-employment Health Benefit Fund (State OPEB Fund)** pays postemployment health benefits (including benefits to qualified beneficiaries of eligible former employees) due under the group health plan for employees of State organizations and other entities authorized by law to contract with the Department of Community Health for inclusion in the plan. It also pays administrative expenses for the Fund. By law, no other use of assets of the State OPEB Fund is permitted.

The **Georgia School Personnel Post-employment Health Benefit Fund (School OPEB Fund)** pays postemployment health benefits (including benefits for qualified beneficiaries of eligible former employees) due under the group health plan for public school teachers including librarians and other certified employees of the public schools and regional educational service agencies, postemployment health benefits due under the group health plan for non-certificated public school employees, and administrative expenses of the Fund. By law, no other use of assets of the School OPEB Fund is permitted.

The **State Employees' Assurance Department (SEAD) - OPEB** is used to account for the accumulation of resources for the purpose of providing term life insurance to retired and vested inactive members of Employees', Judicial, and Legislative Retirement Systems.

INVESTMENT TRUST FUNDS

Investment Trust Funds are used to account for the external portion of a government sponsored investment pool. The State's investment trust funds are described below:

The **Georgia Fund 1** (GF1) is an investment pool of the LGIP Trust and an investment pool for the State and local governments, including state agencies, colleges and universities, counties, school districts, special districts, or any department, agency, or board of a political subdivision. The primary objectives of the pool is the prudent management of public funds on behalf of the State and local governments seeking income higher than money market rates.

The **Georgia Fund 1 Plus** (GF1+) is an additional investment option for the State, state agencies, and eligible municipalities looking to benefit from higher yields available by adding credit exposure.

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds are used to report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The State's private purpose trust funds are described below:

The **Auctioneers Education, Research and Recovery Fund** provides for actual or compensatory damages in instances where a person is aggrieved by an act, representation, transaction, or conduct of a person licensed under OCGA § 43-6 (duly licensed auctioneer, apprentice auctioneer, or auction company) who is in violation of state law. Also, the fund is used to help underwrite the cost of education and research programs for the benefit of licensees and the public.

The **Real Estate Education, Research and Recovery Fund** provides for actual or compensatory damages in instances where a person is aggrieved by an act, representation, transaction, or conduct of a duly licensed broker, associate broker or salesperson who is in violation of state law. Also, the fund is used to help underwrite the cost of developing courses, conducting seminars, conducting research projects on matters affecting real estate brokerage, publishing and distributing educational materials, or other education and research programs for the benefit of licensees and the public.

The **Subsequent Injury Trust Fund** is a special workers' compensation fund designed to encourage employers to hire workers with pre-existing impairments by insuring against the aggravating impact such impairment could have if the worker were subsequently injured on the job.

The **Tuition Guaranty Trust Fund** is to protect students against financial loss when a postsecondary educational institution closes without reimbursing its students and without completing its educational obligations to its students. It is funded by postsecondary education institutions who participate in the trust.

CUSTODIAL FUNDS

Custodial Funds are used to report balances and activities for deposits and investments entrusted to the State as an agent for others. The State's significant custodial funds are described below:

The **ARPA NEU for Local Governments** accounts for the collection and disbursement of Coronavirus State and Local Fiscal Recovery Funds to Non-entitlement Units of Local Government (NEUs) as directed by the American Rescue Plan Act of 2021 (ARPA) on behalf of the federal government. Amounts received are distributed in conformity with the standards prescribed in the Social Security Act.

The **Child Support Recovery Program** accounts for the collection of court ordered child support or child support amounts due as determined in conformity with the Social Security Act. Amounts collected are distributed and deposited in conformity with state law and the standards prescribed in the Social Security Act.

The **Detainees' Accounts** are held for the detainees of statewide probation offices, correctional institutions, diversion centers, detention centers, transitional centers and boot camps for the purpose of paying court-ordered fines, fees and restitutions and for operating recreational activities for detainees.

The **Flexible Benefits Program** accounts for participant payroll deductions for benefits and spending accounts; disbursements are made to insurance companies for premiums and to participants for spending account reimbursements.

The **Insurance Premium Tax Collections for Local Governments Fund** accounts for the pro-rata share of premium taxes collected on the behalf of each participating municipality and county. The participating counties and municipalities may have the distributions deposited directly into their Georgia Fund 1 account through the Office of the State Treasurer.

Revenue Tax Collections for Local Governments Fund is used to account for the collection and disbursement of sales taxes at the Department of Revenue on behalf of county and municipal governments. This fund includes activity for Education Local Option Sales Tax, Homestead Option Sales Tax, Local Option Sales Tax, MARTA Sales Tax, Special Purpose Local Option Sales Tax, Ad Valorem Tax, Railroad Tax, Tennessee Valley Tax, E911 Prepaid Tax, E911 non Prepaid, Fireworks Tax, and the Transportation Investment Act.

Survivor Benefit Fund is within the Employees Retirement System (ERS) trust and is solely for maintaining group term life insurance coverage for members of the plan. All assets are limited to the payment of benefits and expenses for such coverage and cannot be used to pay pension benefits and expenses of ERS.

The **Student Financial Aid and Support Fund** are accounts for activities from the state acting as an agent or in a fiduciary capacity for various governments, companies, clubs or individuals for student support and financial aid.

Other Custodial Funds include custodial funds not considered significant enough to warrant separate presentation.

External Investment Pool account for activities of a pooled investment program held by the Board of Regents for affiliate organizations external to the state reporting unit.


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Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2022
(amounts in thousands)

			Defined Contribution Plans		
	Defined	Georgia	Deferred Compensation Plans		
	Benefit	Defined	State of Georgia	State of Georgia	Regents
	Pension Plans	Contribution	401 (K)	457	457 (F)
	(see combining)	Plan	Plan	Plan	Plan
Assets					
Cash and Cash Equivalents	$ 1,667,054	$ 16,950	$ 16,592	$ 1,134	$ —
Pooled Investments with State Treasury	—	—	—	—	—
Receivables, Net					
Interest and Dividends	219,802	459	13	6	—
Due from Brokers for Securities Sold	49,990	—	—	—	—
Other	311,550	990	4,784	596	—
Due from Other Funds	—	—	—	—	—
Investments					
Pooled Investments	15,214,566	—	—	—	—
Mutual Funds	478,185	—	1,518,248	650,004	3,201
Municipal, U.S. and Foreign Government Obligations	18,572,562	99,558	—	—	—
Corporate Bonds/Notes/Debentures	6,305,865	20,015	—	—	972
Stocks	61,855,052	—	16,674	11,155	38
Asset-backed Securities	26,238	—	—	—	—
Mortgage Investments	117,320	—	—	—	—
Real Estate Investment Trusts	297,232	—	—	—	337
Capital Assets					
Land	8,431	—	—	—	—
Buildings	7,793	—	—	—	—
Software	30,800	—	—	—	—
Machinery and Equipment	5,988	—	—	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(37,886)	—	—	—	—
Intangible Right-to-Use Assets					
Accumulated Amortization	(2)	—	—	—	—
Net OPEB Asset	8,258	—	—	—	—
Total Assets	105,138,912	137,972	1,556,311	662,895	4,548
Deferred Outflows of Resources	14,771	—	—	—	—
Liabilities					
Accounts Payable and Other Accruals	35,448	565	2,871	1,266	—
Due to Other Funds	475	—	—	—	—
Due to Brokers for Securities Purchased	60,715	—	—	—	—
Benefits Payable	—	—	—	—	—
Unearned Revenue	8	—	—	—	—
Compensated Absences Payable	82	—	—	—	—
Net OPEB Liability	2,696	—	—	—	—
Net Pension Liability	17,962	—	—	—	—
Total Liabilities	117,386	565	2,871	1,266	—
Deferred Inflows of Resources	30,446	—	—	—	—
Net Position					
Restricted for:					
Pension Benefits	105,005,851	137,407	1,553,440	661,629	4,548
Other Postemployment Benefits	—	—	—	—	—
Total Net Position	$ 105,005,851	$ 137,407	$ 1,553,440	$ 661,629	$ 4,548

Other Post Employment Benefit Plans				
Board of Regents Retiree Health Benefit Fund	Georgia State Employees Post-employment Health Benefit Fund	Georgia School Personnel Post-employment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
$ 10,678	$ 515	$ 189	$ 88	$ 1,713,200
—	708,504	261,207	—	969,711
—	868	318	—	221,466
—	—	—	—	49,990
247	818	2,108	—	321,093
—	12,086	26,294	412	38,792
206,732	—	—	1,334,220	16,755,518
—	—	—	—	2,649,638
—	—	—	—	18,672,120
—	—	—	—	6,326,852
—	1,095,452	400,963	—	63,379,334
—	—	—	—	26,238
—	—	—	—	117,320
—	—	—	—	297,569
—	—	—	—	8,431
—	—	—	—	7,793
—	—	—	—	30,800
—	—	—	—	5,988
—	—	—	—	114
—	—	—	—	(37,886)
—	—	—	—	(2)
—	—	—	—	8,258
217,657	1,818,243	691,079	1,334,720	111,562,337
—	—	—	—	14,771
—	267	349	435	41,201
—	—	—	—	475
—	461	169	—	61,345
5,753	16,302	38,711	—	60,766
—	80	288	—	376
—	—	—	—	82
—	—	—	—	2,696
—	—	—	—	17,962
5,753	17,110	39,517	435	184,903
—	—	—	—	30,446
—	—	—	—	107,362,875
211,904	1,801,133	651,562	1,334,285	3,998,884
$ 211,904	$ 1,801,133	$ 651,562	$ 1,334,285	$ 111,361,759

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

		Defined Contribution Plans			
	Defined Benefit Pension Plans (see combining)	Georgia Defined Contribution Plan	Deferred Compensation Plans		
			State of Georgia 401 (K) Plan	State of Georgia 457 Plan	Regents 457 (F) Plan
Additions:					
Contributions					
Employer	$ 3,330,921	$ —	$ 57,538	$ —	$ 618
Fees	501	—	—	—	—
Insurance Premiums	—	—	—	—	—
NonEmployer	124,919	—	—	—	—
Plan Members	906,921	16,228	146,280	21,125	—
Miscellaneous	124	—	583	46	—
Interest and Other Investment Income					
Dividends and Interest	2,191,620	2,436	624	519	266
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	(17,196,115)	(10,356)	(220,752)	(82,861)	(837)
Less: Investment Expense	(91,729)	(72)	(2,476)	(848)	(4)
Transfers from Other Funds	2,811	—	—	—	—
Total Additions	(10,730,027)	8,236	(18,203)	(62,019)	43
Deductions:					
Distributions					
Benefits	7,448,256	9	137,593	50,440	—
General and Administrative Expenses	31,582	987	3,437	585	—
Refunds	104,555	10,069	—	—	—
Total Deductions	7,584,393	11,065	141,030	51,025	—
Net Increase (Decrease) in Fiduciary Net Position	(18,314,420)	(2,829)	(159,233)	(113,044)	43
Net Position, July 1	123,320,271	140,236	1,712,673	774,673	4,505
Net Position, June 30	$ 105,005,851	$ 137,407	$ 1,553,440	$ 661,629	$ 4,548

Other Post Employment Benefit Plans				
Board of Regents Retiree Health Benefit Fund	Georgia State Employees Post-employment Health Benefit Fund	Georgia School Personnel Post-employment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
$ 146,343	$ 161,693	$ 361,575	$ —	$ 4,058,688
—	—	—	—	501
—	—	—	2,641	2,641
—	—	—	—	124,919
—	—	—	—	1,090,554
—	—	—	—	753
8,045	20,490	7,471	28,566	2,260,037
(30,144)	(154,467)	(56,548)	(206,543)	(17,958,623)
(185)	(622)	(228)	(1,392)	(97,556)
—	—	—	—	2,811
124,059	27,094	312,270	(176,728)	(10,515,275)
105,951	162,994	366,559	55,053	8,326,855
1,503	1,410	3,191	755	43,450
—	—	—	—	114,624
107,454	164,404	369,750	55,808	8,484,929
16,605	(137,310)	(57,480)	(232,536)	(19,000,204)
195,299	1,938,443	709,042	1,566,821	130,361,963
$ 211,904	$ 1,801,133	$ 651,562	$ 1,334,285	$ 111,361,759

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
June 30, 2022
(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Assets				
Cash and Cash Equivalents	$ 210,219	$ 54,064	$ 696	$ 34,274
Receivables				
Interest and Dividends	—	2,042	—	696
Due from Brokers for Securities Sold	—	673	—	187
Other	33,186	—	882	—
Investments				
Pooled Investments	13,601,188	—	515,797	71,035
Mutual Funds	—	367,077	—	111,108
Municipal, U.S. and Foreign Government Obligations	—	53,415	—	64,198
Corporate Bonds/Notes/Debentures	—	94,247	—	51,337
Stocks	—	344,874	—	255,788
Asset-backed Securities	—	6,445	—	6,903
Mortgage Investments	—	88,842	—	5,686
Real Estate Investment Trusts	—	52,678	—	1,007
Capital Assets				
Land	4,124	85	—	—
Buildings	2,800	1,535	—	—
Software	14,345	—	—	—
Machinery and Equipment	2,486	140	—	6
Works of Art	—	114	—	—
Accumulated Depreciation	(17,442)	(885)	—	—
Intangible Right-to-Use Assets				
Accumulated Amortization	—	—	—	(2)
Net OPEB Asset	1,426	—	—	—
Total Assets	13,852,332	1,065,346	517,375	602,223
Deferred Outflow of Resources	541	—	—	—
Liabilities				
Accounts Payable and Other Accruals	18,644	3,132	813	689
Due to Other Funds	465	—	8	1
Due to Brokers for Securities Purchased	—	6,417	—	560
Unearned Revenue	—	—	—	8
Compensated Absences Payable	—	82	—	—
Net OPEB Liability	545	—	—	—
Net Pension Liability	—	—	—	—
Total Liabilities	19,654	9,631	821	1,258
Deferred Inflow of Resources	2,709	—	—	—
Net Position				
Restricted for Pension Benefits	$ 13,830,510	$ 1,055,715	$ 516,554	$ 600,965

Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System of Georgia	Total
$ 34,827	$ 223	$ 1,332,751	$ 1,667,054
2,754	—	214,310	219,802
1,158	—	47,972	49,990
—	388	277,094	311,550
—	1,026,546	—	15,214,566
—	—	—	478,185
131,815	—	18,323,134	18,572,562
62,398	—	6,097,883	6,305,865
559,508	—	60,694,882	61,855,052
12,890	—	—	26,238
22,792	—	—	117,320
28,896	—	214,651	297,232
98	—	4,124	8,431
658	—	2,800	7,793
1,475	—	14,980	30,800
65	—	3,291	5,988
—	—	—	114
(671)	—	(18,888)	(37,886)
—	—	—	(2)
—	—	6,832	8,258
858,663	1,027,157	87,215,816	105,138,912
—	—	14,230	14,771
981	925	10,264	35,448
—	—	1	475
4,666	—	49,072	60,715
—	—	—	8
—	—	—	82
—	—	2,151	2,696
—	—	17,962	17,962
5,647	925	79,450	117,386
—	—	27,737	30,446
$ 853,016	$ 1,026,232	$ 87,122,859	$ 105,005,851

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Additions:				
Contributions/Assessments				
Employer	$ 611,410	$ —	$ 7,585	$ 20,714
Fees	—	497	—	4
NonEmployer	8,313	46,259	2,377	7,377
Plan Members	36,130	4,154	5,466	955
Miscellaneous	—	(161)	—	1
Interest and Other Investment Income				
Dividends and Interest	295,081	16,090	11,048	(14,922)
Net Appreciation (Depreciation) in				
Investments Reported at Fair Value	(2,133,543)	(143,781)	(79,881)	34,125
Less: Investment Expense	(17,134)	(5,144)	(501)	(2,861)
Transfers from Other Funds	10	—	—	2,697
Total Additions	(1,199,733)	(82,086)	(53,906)	48,090
Deductions:				
Distributions				
Benefits	1,502,904	61,358	34,050	36,941
General and Administrative Expenses	7,576	1,955	893	1,404
Refunds	7,182	1,148	23	202
Total Deductions	1,517,662	64,461	34,966	38,547
Net Increase (Decrease) in Fiduciary Net Position	(2,717,395)	(146,547)	(88,872)	9,543
Net Position, July 1	16,547,905	1,202,262	605,426	591,422
Net Position, June 30	$ 13,830,510	$ 1,055,715	$ 516,554	$ 600,965

	Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System of Georgia	Total
	$ —	$ —	$ 2,691,212	$ 3,330,921
	—	—	—	501
	22,704	32,491	5,398	124,919
	4,584	2,256	853,376	906,921
	284	—	—	124
	21,637	22,010	1,840,676	2,191,620
	(163,512)	(159,143)	(14,550,380)	(17,196,115)
	(4,217)	(1,012)	(60,860)	(91,729)
	—	—	104	2,811
	(118,520)	(103,398)	(9,220,474)	(10,730,027)
	52,768	68,203	5,692,032	7,448,256
	1,761	1,523	16,470	31,582
	533	614	94,853	104,555
	55,062	70,340	5,803,355	7,584,393
	(173,582)	(173,738)	(15,023,829)	(18,314,420)
	1,026,598	1,199,970	102,146,688	123,320,271
	$ 853,016	$ 1,026,232	$ 87,122,859	$ 105,005,851

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
Other Defined Benefit Pension Plans
June 30, 2022
(amounts in thousands)

	District Attorneys Retirement Fund	Augusta University Early Retirement Pension Plan	Judges of the Probate Courts Retirement Fund of Georgia	Legislative Retirement System	Magistrates Retirement Fund of Georgia
Assets					
Cash and Cash Equivalents	$ 4	$ 23,763	$ 2,989	$ 45	$ 1,182
Receivables, Net					
Interest and Dividends	—	—	254	—	84
Due from Brokers for Securities Sold	—	—	165	—	18
Investments					
Pooled Investments	—	—	—	36,112	—
Mutual Funds	—	53,670	—	—	6,378
Municipal, U.S. and Foreign Government Obligations	—	—	9,202	—	7,574
Corporate Bonds/Notes/Debentures	—	—	8,873	—	4,802
Stocks	—	45,422	101,588	—	21,195
Asset-backed Securities	—	—	3,647	—	—
Mortgage Investments	—	—	—	—	658
Real Estate Investment Trusts	—	—	—	—	—
Capital Assets					
Machinery and Equipment	—	—	—	—	—
Accumulated Depreciation	—	—	—	—	—
Total Assets	4	122,855	126,718	36,157	41,891
Liabilities					
Accounts Payable and Other Accruals	2	—	62	125	30
Due to Other Funds	—	—	—	1	—
Due to Brokers for Securities Purchased	—	—	166	—	—
Unearned Revenue	—	—	—	—	—
Total Liabilities	2	—	228	126	30
Net Position					
Restricted for Pension Benefits	$ 2	$ 122,855	$ 126,490	$ 36,031	$ 41,861

Georgia Military Pension Fund	Sheriffs' Retirement Fund of Georgia	Superior Court Clerks' Retirement Fund of Georgia	Superior Court Judges Retirement Fund of Georgia	Total
$ 56	$ 2,289	$ 3,935	$ 11	$ 34,274
—	—	358	—	696
—	—	4	—	187
34,923	—	—	—	71,035
—	23,447	27,613	—	111,108
—	11,583	35,839	—	64,198
—	12,836	24,826	—	51,337
—	46,696	40,887	—	255,788
—	—	3,256	—	6,903
—	—	5,028	—	5,686
—	—	1,007	—	1,007
—	6	—	—	6
—	(2)	—	—	(2)
34,979	96,855	142,753	11	602,223
91	243	131	5	689
—	—	—	—	1
—	—	394	—	560
—	8	—	—	8
91	251	525	5	1,258
$ 34,888	$ 96,604	$ 142,228	$ 6	$ 600,965

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
Other Defined Benefit Pension Plans
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	District Attorneys Retirement Fund	Early Retirement Pension Plan - Augusta University	Judges of the Probate Courts Retirement Fund of Georgia	Legislative Retirement System	Magistrates Retirement Fund of Georgia
Additions:					
Contributions/Assessments					
Employer	$ 23	$ 20,416	$ —	$ —	$ —
Fees	2	—	—	—	—
NonEmployer	—	—	1,484	—	1,138
Plan Members	—	—	193	344	184
Rebates					
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	2,188	1,766	772	627
Net Appreciation (Depreciation) in Investments Reported at Fair Value	—	(16,904)	28,776	(5,583)	7,119
Less: Investment Expense	—	(139)	(911)	(38)	(216)
Transfers from Other Funds	—	—	—	—	—
Total Additions	25	5,561	31,308	(4,505)	8,852
Deductions:					
Distributions					
Benefits	23	14,316	4,991	1,818	558
General and Administrative Expenses	2	—	174	326	146
Refunds	—	—	62	33	41
Total Deductions	25	14,316	5,227	2,177	745
Net Increase (Decrease) in Fiduciary Net Position	—	(8,755)	26,081	(6,682)	8,107
Net Position, July 1	2	131,610	100,409	42,713	33,754
Net Position, June 30	$ 2	$ 122,855	$ 126,490	$ 36,031	$ 41,861

Georgia Military Pension Fund	Sheriffs' Retirement Fund of Georgia	Superior Court Clerks' Retirement Fund of Georgia	Superior Court Judges Retirement Fund of Georgia	Total
$ —	$ —	$ —	$ 275	$ 20,714
—	—	—	2	4
—	1,773	2,982	—	7,377
—	98	136	—	955
—	1	—	—	1
749	(24,198)	3,174	—	(14,922)
(5,415)	4,949	21,183	—	34,125
(27)	(822)	(708)	—	(2,861)
2,697	—	—	—	2,697
(1,996)	(18,199)	26,767	277	48,090
1,527	6,572	6,861	275	36,941
266	292	196	2	1,404
—	—	66	—	202
1,793	6,864	7,123	277	38,547
(3,789)	(25,063)	19,644	—	9,543
38,677	121,667	122,584	6	591,422
$ 34,888	$ 96,604	$ 142,228	$ 6	$ 600,965

Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2022
(amounts in thousands)

	Georgia Fund 1
Assets	
Pooled Investments with State Treasury	$ 13,543,331
Interest Receivable	9,006
Total Assets	13,552,337
Liabilities	
Accounts Payable and Other Accruals	—
Total Liabilities	—
Net Position	
Restricted for Pool Participants	$ 13,552,337

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Georgia Fund 1
Additions:	
Contributions/Assessments	
Pool Participant Deposits	$ 16,081,724
Interest and Other Investment Income	
Dividends and Interest	36,046
Net Appreciation (Depreciation) in Investments	
Reported at Fair Value	—
Less: Investment Expense	(5,178)
Total Additions	16,112,592
Deductions:	
Distributions	
Pool Participant Withdrawals	14,862,795
Change in Net Position Restricted for Pool Participants	1,249,797
Net Position, July 1	12,302,540
Net Position, June 30	$ 13,552,337

Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2022
(amounts in thousands)

	Auctioneers Education, Research and Recovery Fund	Real Estate Education, Research and Recovery Fund	Subsequent Injury Trust Fund	Tuition Guaranty Trust Fund	Total
Assets					
Cash and Cash Equivalents	$ 186	$ —	$ —	$ 552	$ 738
Pooled Investments with State Treasury	578	2,351	313,198	3,915	320,042
Receivables, Net					
Other	—	—	6,182	—	6,182
Capital Assets					
Machinery and Equipment	—	—	94	—	94
Accumulated Depreciation	—	—	(94)	—	(94)
Intangible Right-to-Use Assets					
Buildings	—	—	206	—	206
Accumulated Amortization	—	—	(103)	—	(103)
Net OPEB Asset	—	—	369	—	369
Total Assets	764	2,351	319,852	4,467	327,434
Deferred Outflows of Resources	—	—	407	—	407
Liabilities					
Accounts Payable and Other Accruals	—	17	—	1	18
Cash Overdraft	—	141	—	—	141
Compensated Absences Payable	—	—	68	—	68
Lease Obligation	—	—	105	—	105
Net OPEB Liability	—	—	63	—	63
Net Pension Liability	—	—	633	—	633
Other Liabilities	—	3	69	—	72
Total Liabilities	—	161	938	1	1,100
Deferred Inflows of Resources	—	—	1,098	—	1,098
Net Position					
Restricted for:					
Other Purposes	764	2,190	318,223	4,466	325,643
Total Net Position	$ 764	$ 2,190	$ 318,223	$ 4,466	$ 325,643

Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Auctioneers Education, Research and Recovery Fund	Real Estate Education, Research and Recovery Fund	Subsequent Injury Trust Fund	Tuition Guaranty Trust Fund	Total
Additions:					
Contributions/Assessments					
Plan Members/Participants	$ 10	$ 243	$ —	$ 245	$ 498
Interest and Other Investment Income					
Dividends and Interest	1	4	429	9	443
Total Additions	11	247	429	254	941
Deductions:					
Distributions					
Benefits	—	—	20,646	—	20,646
General and Administrative Expenses	—	75	1,012	26	1,113
Total Deductions	—	75	21,658	26	21,759
Net Increase (Decrease) in Fiduciary Net Position	11	172	(21,229)	228	(20,818)
Net Position, July 1	753	2,018	339,452	4,238	346,461
Net Position, June 30	$ 764	$ 2,190	$ 318,223	$ 4,466	$ 325,643

Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
(amounts in thousands)

	ARPA NEU for Local Governments	Child Support Recovery Program	Detainees' Accounts	Flexible Benefits Program	Insurance Premium Tax Collections for Local Governments
Assets					
Cash and Cash Equivalents	$ 434,092	$ 43,253	$ 70,727	$ 2,712	$ —
Pooled Investments with State Treasury	—	—	—	9,057	—
Accounts Receivable, Net					
Sales Tax Collected for Other Taxing Units	—	—	—	—	—
Other	—	—	—	—	—
Investments, at Fair Value					
Certificates of Deposits	—	—	—	—	—
Pooled Investments	—	—	—	—	—
Mutual Funds	—	—	—	—	—
Municipal, U.S. and Foreign Government Obligations	—	—	—	—	—
Other Assets	—	1	—	—	—
Total Assets	434,092	43,254	70,727	11,769	—
Liabilities					
Accounts Payable and Other Accruals	434,092	26	—	2,250	—
Cash Overdraft	—	—	—	—	—
Salaries Payable	—	—	—	—	—
Due to Component Units	—	—	—	—	—
Due to Local Governments	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Other Liabilities	—	852	—	—	—
Total Liabilities	434,092	878	—	2,250	—
Net Position					
Restricted for:					
Pool Participants	—	—	—	—	—
Individuals, Organizations, and Other Governments	—	42,376	70,727	9,519	—
Total Net Position	$ —	$ 42,376	$ 70,727	$ 9,519	$ —

Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	Investment Pool
$ 46,000	$ 86	$ 385	$ 28,608	$ 625,863	$ —
15,486	—	—	12,844	37,387	—
1,025,333	—	—	—	1,025,333	—
6,075	—	95,661	1,148	102,884	—
—	—	—	1,225	1,225	—
—	191,101	—	280	191,381	65,338
—	—	—	9,288	9,288	—
—	—	—	29,438	29,438	—
—	—	—	1,088	1,089	—
1,092,894	191,187	96,046	83,919	2,023,888	65,338
—	—	2,204	3,889	442,461	—
—	—	74,477	—	74,477	—
—	—	—	6	6	—
—	—	250	—	250	—
1,092,894	—	—	—	1,092,894	—
—	—	2,418	—	2,418	—
—	—	1,115	—	1,967	—
1,092,894	—	80,464	3,895	1,614,473	—
—	—	—	—	—	65,338
—	191,187	15,582	80,024	409,415	—
$ —	$ 191,187	$ 15,582	$ 80,024	$ 409,415	$ 65,338

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	ARPA NEU for Local Governments	Child Support Recovery Program	Detainees' Accounts	Flexible Benefits Program	Insurance Premium Tax Collections for Local Governments
Additions:					
Contributions/Assessments					
Child Support Recovery Program	$ —	$ 785,709	$ —	$ —	$ —
Collections for Local Governments	—	—	—	—	767,344
Coronavirus Fiscal Recovery Funds	430,914	—	—	—	—
Detainees' Accounts	—	—	163,149	—	—
Plan Members/Participants	—	—	—	148,193	—
Pool Participant Deposits	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	—	—	25	—
Net Appreciation (Depreciation) in Investments Reported at Fair Value	—	—	—	—	—
Less: Investment Expense	—	—	—	—	—
Total Additions	430,914	785,709	163,149	148,218	767,344
Deductions:					
Distributions					
Benefits	—	—	—	142,850	—
Child Support Recovery Program	—	787,708	—	—	—
Detainees' Accounts	—	—	168,447	—	—
Distributions to Local Governments	677,679	—	—	—	767,344
Pool Participant Withdrawals	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	1	—
Transfers to Other Funds	—	—	—	5,592	—
Total Deductions	677,679	787,708	168,447	148,443	767,344
Net Increase (Decrease) in Fiduciary Net Position	(246,765)	(1,999)	(5,298)	(225)	—
Net Position, July 1 (restated)	246,765	44,375	76,025	9,744	—
Net Position, June 30	$ —	$ 42,376	$ 70,727	$ 9,519	$ —

Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	External Investment Pool
$ —	$ —	$ —	$ —	$ 785,709	$ —
7,743,575	—	—	—	8,510,919	—
—	—	—	—	430,914	
—	—	—	—	163,149	—
—	—	—	—	148,193	—
—	—	—	—	—	6,789
—	—	2,146,241	—	2,146,241	—
—	—	114,210	—	114,210	—
—	—	2,227	79,875	82,102	—
—	(25,611)	—	67	(25,519)	1,269
—	—	(1)	—	(1)	(9,209)
—	—	—	(83)	(83)	(66)
7,743,575	(25,611)	2,262,677	79,859	12,355,834	(1,217)
—	—	—	—	142,850	—
—	—	—	—	787,708	—
—	—	—	—	168,447	—
7,743,575	—	—	—	9,188,598	—
—	—	—	—	—	5,638
—	—	2,147,127	—	2,147,127	—
—	—	110,607	—	110,607	—
—	—	943	74,863	75,807	—
—	—	—	—	5,592	—
7,743,575	—	2,258,677	74,863	12,626,736	5,638
—	(25,611)	4,000	4,996	(270,902)	(6,855)
—	216,798	11,582	75,028	680,317	72,193
$ —	$ 191,187	$ 15,582	$ 80,024	$ 409,415	$ 65,338


STATE OF GEORGIA
CONSTITUTION
WISDOM
JUSTICE
MODERATION
1776

NONMAJOR COMPONENT UNITS

STATE OF GEORGIA

CONSTITUTION

WISDOM JUSTICE MODERATION

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Component units are legally separate organizations for which the State's elected officials are considered to be financially accountable. Nonmajor component units are described below:

The **Atlanta-region Transit Link "ATL" Authority** is a body corporate and politic. The purpose of which is to manage transit and air quality within certain areas of the State of Georgia. The Board of Directors of the Authority consists of 16 members; of which, the primary government appoints or elects a majority.

Economic Development Organizations

The Economic Development organizations cultivate business for the State. These organizations are described below:

The **Georgia Development Authority** is a body corporate and politic. The Authority was created to assist agricultural and industrial interests by providing credit and servicing functions to better enable farmers and businessmen to obtain needed capital funds. The Board consists of three State officials designated by statute and four members appointed by the Governor.

The **OneGeorgia Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to promote the health, welfare, safety and economic society of the rural citizens of the State through the development and retention of employment opportunities in rural areas and the enhancement of the infrastructures that accomplish that goal. The six members of the Authority are State officials designated by statute.

The **Savannah-Georgia Convention Center Authority** a state Authority, effective July 1, 2019, formally Georgia International and Maritime Trade Center Authority is a body corporate and politic. The Authority was created to develop and promote the growth of the State's import and export markets through its ports and other transportation modes, and to construct, operate and maintain the Savannah International Trade and Convention Center. The Authority is governed by a board of directors composed of 11 members; 6 members appointed by the Governor; 3 members appointed by the members of the Georgia General Assembly representing Chatham County; the President of the Savannah Area Convention and Visitors' Bureau; and the President of the Savannah Economic Development Authority.

The **Georgia Seed Development Commission** is a body corporate and politic and an instrumentality and public corporation of the State whose purpose is to purchase, process, and resell breeders' and foundation seeds. The Commission consists of 11 members who are accountable as trustees. Of the 11 members serving on the Board, six members are State officials or are appointed by State officials.

The **Georgia Higher Education Assistance Corporation** is a nonprofit public authority, body corporate and politic. The Corporation was created to improve the higher educational opportunities of eligible students by guaranteeing educational loan credit to students and to parents of students. The Corporation is governed by the Board of Commissioners of the Georgia Student Finance Commission. The Board consists of 14 members appointed by the Governor.

The **Georgia Military College** (GMC) is a public authority, body corporate and politic, and is an instrumentality and a public corporation of the State. GMC is dedicated to providing a high-quality military education to the youth of the State. The Board of Trustees consists of the mayor of the City of Milledgeville and six additional members, one of which is elected from each of the six municipal voting districts of the City, as required by statute. The government, control, and management of GMC are vested in the Board of Trustees. GMC receives any designated funds appropriated by the General Assembly through the Board of Regents of the University System of Georgia.

The **Georgia Public Telecommunications Commission** is a body corporate and politic. This Commission is a public charitable organization created for the purpose of providing educational, instructional and public broadcasting services to citizens of Georgia. The budget of the Commission must be approved by the State. The Board consists of nine members appointed by the Governor. Financial information presented for the Commission includes its component unit, Foundation for Public Broadcasting in Georgia, Inc.

The **Georgia Regional Transportation Authority** is a body corporate and politic. Within its jurisdiction, the purpose of the Authority is to manage land transportation and air quality, review all Developments of Regional Impact (DRI), and approve the allocation of state and federal transportation resources in metro Atlanta via the Atlanta Transportation Improvement Program (TIP). The Governor appoints all 15 Board Members of the Authority.

The **Georgia Student Finance Authority** is a body corporate and politic. This Authority was created for the purpose of improving higher educational opportunities by providing educational scholarship, grant and loan assistance. A substantial amount of funding is provided to the Authority by the State. State officials comprise four of the 14 members of the Board, and the Governor appoints the remaining 10.

The **Higher Education Foundations** are nonprofit organizations established to secure and manage support for various projects including acquisitions and improvements of properties and facilities for the University System of Georgia.

The **REACH Georgia Foundation** is a nonprofit organization that was formed to ensure that Georgia's academically promising students have the academic, social and financial support needed to graduate from high school, access college and achieve postsecondary success. The REACH Georgia Program is the State of Georgia's first needs-based mentorship and college scholarship program and the Foundation's mission is to raise and invest funds.

The **Regional Educational Service Agencies** were established to provide shared services to improve the effectiveness of educational programs and services of local school systems and to provide direct instructional programs to selected public school students. The State has 16 of these agencies.

The **Georgia Superior Court Clerks' Cooperative Authority** is a body corporate and politic and an instrumentality and public corporation of the State created to provide a cooperative for the development, acquisition and distribution of record management systems, information, services, supplies and materials for superior court clerks of the State. Of the 10 members of the Board, the Governor appoints four. The nature of this organization is such that it would be misleading to exclude it from the reporting entity.

Tourism / State Attractions

These organizations promote State interests or encourage visitation to the State through the operation and maintenance of various attractions. Organizations involved in such activities are described below:

The **Georgia Agricultural Exposition Authority** is a body corporate and politic. This Authority is responsible for provision of a facility for the agricultural community, for public events, exhibits and other activities and for promotion and staging of a statewide fair. The Governor appoints the nine Board members.

Description of Nonmajor Component Units

The **Jekyll Island - State Park Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority was created to operate and manage resort recreational facilities on Jekyll Island. The Board consists of one State official designated by statute and eight members appointed by the Governor. Financial information presented for the Authority includes its component unit, Jekyll Island Foundation, Inc.

The **Lake Lanier Islands Development Authority** is a body corporate and politic and an instrumentality and public corporation of the State. The purpose of the Authority is to manage, preserve and protect projects on Lake Lanier Islands. The Board consists of one State official designated by statute and eight members appointed by the Governor.

The **North Georgia Mountains Authority** is a body corporate and politic and an instrumentality and public corporation of the State responsible for the construction and management of recreation, accommodation and tourist facilities and services. The Governor appoints the nine members of the Board.

The **Stone Mountain Memorial Association** is a body corporate and politic and an instrumentality and public corporation of the State. The Authority is responsible for the maintaining and operating of Stone Mountain as a Confederate memorial and public recreational area. The Board consists of one State official designated by statute and nine members appointed by the Governor.

Combining Statement of Net Position
Nonmajor Component Units
June 30, 2022
(amounts in thousands)

	Atlanta-Region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 15,319	$ 30,137	$ 11,009	$ 436,160	$ 15,889	$ 11,317
Pooled Investment with State Treasurer	28,028	190,901	15,875	279	—	—
Investments	—	—	—	52,429	—	12,978
Receivables						
Accounts (Net)	11,494	2,249	185	359,944	5,792	909
Leases from						
Primary Government	—	—	—	15,972	—	—
External	—	—	—	—	—	1,237
Interest and Dividends	—	1,953	—	—	—	—
Primary Government	—	—	—	97,220	—	—
External	—	6,317	—	—	—	—
Taxes	—	1,317	—	—	—	—
Due from Primary Government	—	—	—	10,013	—	—
Due from Component Units	—	—	—	67	—	—
Inventory	1	128	—	—	2,018	—
Other Current Assets	—	80	—	34,615	12	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	93,227	—	—
Investments	—	—	—	165,810	—	—
Other	—	—	—	71,102	—	—
Total Current Assets	54,842	233,082	27,069	1,336,838	23,711	26,441
Noncurrent Assets:						
Investments	—	—	—	444,148	—	—
Receivables						
Leases from						
Primary Government	—	—	—	98,534	—	—
External	—	—	—	—	—	1,910
Notes and Loans (net)						
Primary Government	—	—	—	1,973,972	—	—
External	—	170,648	—	—	—	—
Other (Net)	—	—	—	57,755	—	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	161,506	—	—
Investments	—	—	—	2,058,167	—	—
Net OPEB Asset	299	—	—	—	70	1,125
Receivables						
Other	—	—	—	85,683	—	—
Non-depreciable Capital Assets	—	10,651	—	211,803	8,923	1,479
Depreciable Capital Assets (Net)	—	7,258	—	675,739	87,239	6,023
Right-to-use Assets (Net)	4,036	—	—	199,680	34,335	618
Other Noncurrent Assets	—	—	—	13,307	—	—
Total Noncurrent Assets	4,335	188,557	—	5,980,294	130,567	11,155
Total Assets	59,177	421,639	27,069	7,317,132	154,278	37,596
Deferred Outflows of Resources	2,607	—	—	31,340	22,026	8,530

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Georgia Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
$ 121	$ 22,022	$ 19	$ 54,446	$ 8,932	$ 50,010	$ 655,381
—	2,711	4	20,118	—	7,691	265,607
53,046	418	—	—	—	—	118,871
—	16,871	8,290	209	1,938	4,231	412,112
—	—	—	—	—	—	15,972
—	—	—	—	—	3,026	4,263
—	—	—	1,869	—	1,828	5,650
—	—	—	—	—	—	97,220
—	—	—	179,229	—	4,860	190,406
—	—	—	—	—	—	1,317
—	—	—	1,017	—	—	11,030
—	—	—	36,012	—	—	36,079
—	2,710	—	—	—	1,336	6,193
—	518	—	1,011	256	2,045	38,537
1,044	—	—	—	21,900	—	116,171
—	—	—	—	—	—	165,810
—	—	—	—	—	—	71,102
54,211	45,250	8,313	293,911	33,026	75,027	2,211,721
—	—	—	—	—	—	444,148
—	—	—	—	—	—	98,534
—	—	—	—	—	147,979	149,889
—	—	—	—	—	—	1,973,972
—	—	—	—	—	—	170,648
—	—	—	—	—	—	57,755
—	—	—	—	—	—	161,506
—	—	—	—	—	—	2,058,167
—	176	—	—	369	1,511	3,550
—	—	—	—	—	—	85,683
—	497	—	630	913	30,192	265,088
—	6,987	—	1,258	2,065	200,441	987,010
—	86	—	—	1,522	607	240,884
—	—	—	187	—	—	13,494
—	7,746	—	2,075	4,869	380,730	6,710,328
54,211	52,996	8,313	295,986	37,895	455,757	8,922,049
—	46,064	—	—	526	5,211	116,304

(continued)

Combining Statement of Net Position
Nonmajor Component Units
June 30, 2022
(amounts in thousands)

	Atlanta-Region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Liabilities						
Current Liabilities:						
Accounts Payable and Other Accruals	4,877	2,374	1,629	65,180	2,722	788
Due to Primary Government	539	—	—	420,214	—	—
Due to Component Units	—	—	—	67	—	—
Funds Held for Others	1,040	—	—	69,087	—	—
Unearned Revenue	15,000	305	—	183,803	4,105	1,891
Notes and Loans Payable						
External	—	—	—	51,971	—	—
Lease Obligations						
Primary Government	—	—	—	349	—	—
External	778	—	—	24,494	3,089	109
Revenue/Mortgage Bonds Payable	—	—	—	85,751	—	—
Other Current Liabilities	87	1,288	—	23,937	629	604
Current Liabilities Payable from Restricted Assets:						
Other	—	—	—	—	—	—
Total Current Liabilities	22,321	3,967	1,629	924,853	10,545	3,392
Noncurrent Liabilities:						
Unearned Revenue	—	—	—	21,295	—	—
Notes and Loans Payable						
External	—	—	—	170,239	—	—
Lease Obligations						
Primary Government	—	—	—	4,870	—	—
External	3,384	—	—	133,462	31,452	538
Revenue/Mortgage Bonds Payable	—	—	—	2,335,173	—	—
Derivative Instrument Payable	—	—	—	2,617	—	—
Net OPEB Liability	—	—	—	—	25,107	14,559
Net Pension Liability	1,877	—	—	—	16,619	7,127
Other Noncurrent Liabilities	243	54,542	34	10,917	—	636
Total Noncurrent Liabilities	5,504	54,542	34	2,678,573	73,178	22,860
Total Liabilities	27,825	58,509	1,663	3,603,426	83,723	26,252
Deferred Inflows of Resources	1,918	—	—	111,494	39,024	14,225
Net Position						
Net Investment in Capital Assets	(16)	13,179	—	373,348	95,957	7,473
Restricted for:						
Bond Covenants/Debt Service	—	—	—	33,275	—	—
Capital Projects	—	—	—	212,082	—	—
Permanent Trust Expendable	—	—	—	860,563	—	—
Other Purposes	14,393	81,085	—	98,471	—	—
Nonexpendable:						
Permanent Trust	—	—	—	1,234,367	—	—
Other Purposes	—	—	—	71,059	—	—
Unrestricted	17,664	268,866	25,406	750,387	(42,400)	(1,824)
Total Net Position	$ 32,041	$ 363,130	$ 25,406	$ 3,633,552	$ 53,557	$ 5,649

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
—	7,785	11,233	497	10,714	3,582	111,381
—	1	—	—	—	5	420,759
36,012	—	—	—	—	—	36,079
98	—	—	—	—	—	70,225
—	126	—	548	—	9,379	215,157
—	363	—	—	—	1,158	53,492
—	—	—	—	—	—	349
—	24	—	15	226	154	28,889
—	—	—	—	—	606	86,357
—	13	1	—	—	454	27,013
—	—	—	—	6,618	—	6,618
36,110	8,312	11,234	1,060	17,558	15,338	1,056,319
—	—	—	—	—	—	21,295
—	1,671	—	—	—	6,096	178,006
—	—	—	—	—	—	4,870
—	62	—	8	1,356	460	170,722
—	—	—	—	—	3,557	2,338,730
—	—	—	—	—	—	2,617
—	46,807	—	—	73	190	86,736
—	33,678	—	—	735	7,913	67,949
—	104	—	3,425	—	877	70,778
—	82,322	—	3,433	2,164	19,093	2,941,703
36,110	90,634	11,234	4,493	19,722	34,431	3,998,022
—	84,785	—	187	1,132	157,426	410,191
—	7,559	—	1,866	2,918	223,092	725,376
—	—	—	—	—	—	33,275
—	—	—	—	—	—	212,082
—	—	—	—	—	—	860,563
18,078	104	—	254,028	—	4,725	470,884
—	—	—	—	—	—	1,234,367
—	—	—	—	—	—	71,059
23	(84,022)	(2,921)	35,412	14,649	41,294	1,022,534
$ 18,101	$ (76,359)	$ (2,921)	$ 291,306	$ 17,567	$ 269,111	$ 4,630,140

Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2022
(amounts in thousands)

	Atlanta-Region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Expenses	$ 38,951	$ 103,703	$ 1,465	$ 2,186,809	$ 85,707	$ 37,038
Program Revenues:						
Sales and Charges for Services	1,385	19,416	3,553	502,727	34,724	7,325
Operating Grants and Contributions	26,822	8,293	37	1,606,334	56,340	13,757
Capital Grants and Contributions	—	321	—	3,209	536	713
Total Program Revenues	28,207	28,030	3,590	2,112,270	91,600	21,795
Net (Expenses) Revenue	(10,744)	(75,673)	2,125	(74,539)	5,893	(15,243)
General Revenues:						
Taxes	—	6,692	—	—	—	—
Unrestricted Investment Income	—	974	—	(47,318)	—	—
Payments from the Primary Government	12,940	66,532	—	—	—	17,923
Contributions to Permanent Endowments	—	—	—	70,254	—	—
Total General Revenues	12,940	74,198	—	22,936	—	17,923
Change in Net Position	2,196	(1,475)	2,125	(51,603)	5,893	2,680
Net Position, July 1 - (Restated)	29,845	364,605	23,281	3,685,155	47,664	2,969
Net Position, June 30	$ 32,041	$ 363,130	$ 25,406	$ 3,633,552	$ 53,557	$ 5,649

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Georgia Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
$ 1,014	$ 94,957	$ 29,300	$ 42,137	$ 27,969	$ 61,536	$ 2,710,586
—	22,308	2,017	50,228	27,399	63,993	735,075
(5,448)	88,845	18,245	26,000	(14)	3,341	1,842,552
—	—	—	—	—	880	5,659
(5,448)	111,153	20,262	76,228	27,385	68,214	2,583,286
(6,462)	16,196	(9,038)	34,091	(584)	6,678	(127,300)
	—	—	—	—	3,976	10,668
400	—	—	—	—	—	(45,944)
422	—	346	—	—	1,296	99,459
—	—	—	—	—	—	70,254
822	—	346	—	—	5,272	134,437
(5,640)	16,196	(8,692)	34,091	(584)	11,950	7,137
23,741	(92,555)	5,771	257,215	18,151	257,161	4,623,003
$ 18,101	$ (76,359)	$ (2,921)	$ 291,306	$ 17,567	$ 269,111	$ 4,630,140


STATE OF GEORGIA
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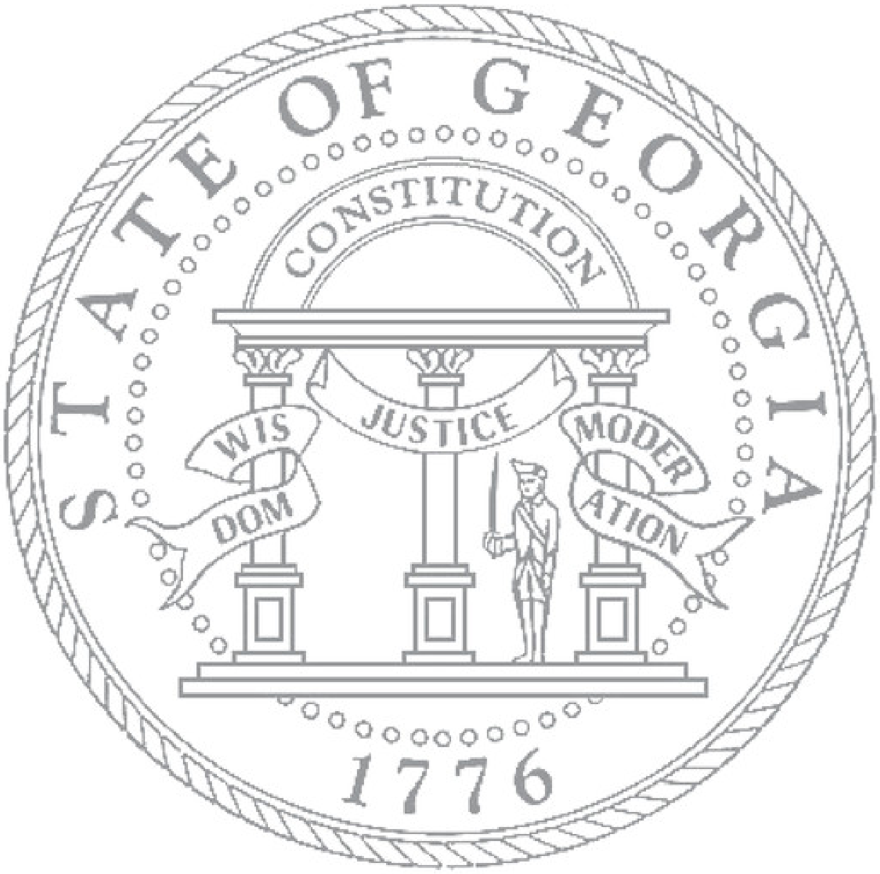
STATISTICAL SECTION

University of North Georgia – The Commons
Dahlonega, Georgia
Submitted by the Board of Regents


STATE OF GEORGIA
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This part of the *Annual Comprehensive Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the State's overall financial health.

Index **Page**

Financial Trends Information

These schedules contain trend information to help the reader understand how the State’s financial performance and well-being have changed over time.

Revenue Capacity Information

These schedules contain information to help the reader assess the State’s most significant revenue source: personal income tax.

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the State’s current levels of outstanding debt and the State’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State’s financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the State’s financial report relates to the services the State provides and the activities it performs.

Sources: : Unless otherwise noted, the information in these schedules is derived from the *Annual Comprehensive Financial Reports* for the relevant year.

Schedule 1
Net Position by Component
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	2022	2021	2020	2019
Governmental Activities [(1) (3)]				
Net Investment in Capital Assets	$ 23,922,912	$ 23,070,070	$ 21,408,838	$ 20,361,680
Restricted	8,797,900	7,834,065	6,342,472	6,275,129
Unrestricted	4,130,094	(4,264,983)	(7,609,857)	(7,660,565)
Total Governmental Activities Net Position	$ 36,850,906	$ 26,639,152	$ 20,141,453	$ 18,976,244
Business-Type Activities [(1) (2)]				
Net Investment in Capital Assets	$ 9,103,939	$ 8,593,594	$ 8,529,759	$ 8,429,136
Restricted	2,258,572	1,689,450	1,872,318	3,349,557
Unrestricted	(5,843,378)	(6,846,987)	(6,344,267)	(6,201,340)
Total Business-type Activities Net Position	$ 5,519,133	$ 3,436,057	$ 4,057,810	$ 5,577,353
Total Primary Government [(1) (2) (3)]				
Net Investment in Capital Assets	$ 29,653,291	$ 28,290,100	$ 26,614,216	$ 25,566,212
Restricted	11,056,472	9,523,515	8,214,790	9,624,686
Unrestricted	1,660,276	(7,738,406)	(10,629,743)	(10,637,301)
Total Primary Government Net Position	$ 42,370,039	$ 30,075,209	$ 24,199,263	$ 24,553,597

(1) In fiscal year 2015, the activities of SRTA were re-examined and all activities of this blended component unit were reported as governmental activities. In fiscal year 2017, SRTA was re-examined again and it was determined that the toll facilities and customer service center (previously part of governmental activities) are now reported as part of business-type activities.

(2) Beginning in fiscal year 2013, the activity of the Armstrong Atlantic State University Educational Properties Foundation, Inc., the Georgia State University Foundation, Inc., the Georgia State University Research Foundation, Inc., the Georgia Tech Facilities, Inc., the University System of Georgia Foundation, Inc. and the VSU Auxiliary Services Real Estate Foundation, Inc., component units, are blended with those of the nonmajor enterprise funds (previously discretely presented). Beginning in the fiscal year 2014, the activity of the Georgia Southern University Housing Foundation, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the North Georgia Real Estate Foundation, Inc., and the UWG Real Estate Foundation, Inc. component units, are blended with those of the nonmajor enterprise funds (previously discretely presented). Beginning in fiscal year 2015, the activity of the Georgia State University Foundation, Inc. is discretely presented (previously blended) and the activity of the Armstrong Atlantic State University Educational Properties Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. Beginning in fiscal year 2016, the Georgia Tech Facilities, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the University of North Georgia Real Estate Foundation, Inc., and the University System of Georgia Foundation, Inc. are discreetly presented (previously blended) and the activity of the Georgia State University Research Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. In fiscal year 2017 the Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc. and VSU Auxiliary Services Real Estate Foundation, Inc. are reported as discretely presented component units (previously Higher Education Fund).

(3) Beginning in fiscal year 2015, Governmental Activities classification of outstanding general obligation bonds for the purposes of capital acquisition and construction on behalf of Business -Type Activities, previously reported as net investment in capital assets, is presented as unrestricted. For the Primary Government, the presentation of these outstanding general obligation bonds is presented as net investment in capital assets.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports*

Fiscal Year					
2018	2017	2016	2015	2014	2013
$ 19,542,361	$ 18,575,368	$ 17,213,380	$ 16,562,899	$ 13,186,605	$ 13,737,276
5,792,152	5,013,504	4,499,014	3,668,030	3,653,903	3,301,316
(8,506,350)	(5,210,957)	(5,745,504)	(6,914,616)	(1,644,265)	(1,781,096)
$ 16,828,163	$ 18,377,915	$ 15,966,890	$ 13,316,313	$ 15,196,243	$ 15,257,496
$ 7,849,961	$ 7,773,009	$ 7,529,660	$ 7,344,726	$ 6,575,166	$ 6,502,029
2,955,296	2,639,561	1,837,521	1,546,723	1,367,598	816,428
(6,250,035)	(4,484,701)	(3,857,184)	(3,957,761)	(820,616)	(1,063,406)
$ 4,555,222	$ 5,927,869	$ 5,509,997	$ 4,933,688	$ 7,122,148	$ 6,255,051
$ 24,372,160	$ 23,502,948	$ 21,892,080	$ 20,926,469	$ 19,761,771	$ 20,239,305
8,747,448	7,653,065	6,336,535	5,214,753	5,021,501	4,117,744
(11,736,223)	(6,850,229)	(6,751,728)	(7,891,221)	(2,464,881)	(2,844,502)
$ 21,383,385	$ 24,305,784	$ 21,476,887	$ 18,250,001	$ 22,318,391	$ 21,512,547

Schedule 2
Changes in Net Position
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	2022	2021	2020	2019
Expenses				
Governmental Activities				
General Government	$ 1,858,419	$ 2,305,031	$ 1,580,323	$ 1,262,837
Education	17,159,895	16,048,419	14,744,905	13,892,451
Health and Welfare	25,394,670	22,446,647	19,182,338	18,015,041
Transportation (1)	2,877,965	2,602,147	2,831,753	2,668,539
Public Safety	2,678,996	2,196,467	2,557,268	2,605,402
Economic Development and Assistance	600,685	492,212	414,177	465,465
Culture and Recreation	328,455	296,593	291,934	309,863
Conservation	76,462	65,701	59,402	54,758
Interest and Other Charges on Long-Term Debt (1)	335,152	415,166	309,200	381,895
Total Governmental Activities	51,310,699	46,868,383	41,971,300	39,656,251
Business-type Activities				
Higher Education Fund (2)	10,541,832	10,208,186	10,355,168	9,739,025
State Health Benefit Plan	3,477,097	3,173,666	2,735,542	2,613,192
Unemployment Compensation Fund	253,672	12,925,409	10,229,884	319,367
Nonmajor Enterprise Funds (1) (2)	67,034	87,827	204,559	205,638
Total Business-type Activities	14,339,635	26,395,088	23,525,153	12,877,222
Total Primary Government Expenses	$ 65,650,334	$ 73,263,471	$ 65,496,453	$ 52,533,473
Program Revenues				
Governmental Activities (1) (2) (3)				
Sales and Charges for Services				
General Government	$ 911,257	$ 838,181	$ 759,685	$ 761,015
Health and Welfare	582,058	97,934	70,209	75,300
Public Safety	165,233	184,815	166,570	187,020
Other Sales and Charges for Services	314,830	308,672	295,692	277,008
Operating Grants and Contributions	27,055,205	23,237,101	17,728,046	16,236,248
Capital Grants and Contributions	1,522,385	1,580,949	1,730,727	1,614,685
Total Governmental Activities	30,550,968	26,247,652	20,750,929	19,151,276
Business-type Activities (1)				
Sales and Charges for Services				
Higher Education Fund (2)	3,774,710	3,490,490	3,583,317	3,730,124
State Health Benefit Plan (4)	3,102,277	3,079,378	2,827,312	2,523,714
Unemployment Compensation Fund (4)	562,576	570,965	633,361	592,707
Nonmajor Enterprise Funds (1) (2)	70,183	40,407	39,844	40,566
Operating Grants and Contributions	5,030,248	15,698,794	11,723,271	3,354,730
Capital Grants and Contributions	54,308	27,227	103,004	109,838
Total Business-type Activities	12,594,302	22,907,261	18,910,109	10,351,679
Total Primary Government Program Revenues	$ 43,145,270	$ 49,154,913	$ 39,661,038	$ 29,502,955
Net (Expense) Revenue				
Governmental Activities (1)	$ (20,759,731)	$ (20,620,731)	$ (21,220,371)	$ (20,504,975)
Business-type Activities (2) (3) (4)	(1,745,333)	(3,487,827)	(4,615,044)	(2,525,543)
Total Primary Government	$ (22,505,064)	$ (24,108,558)	$ (25,835,415)	$ (23,030,518)

Fiscal Year

2018	2017	2016	2015	2014	2013
$ 1,380,132	$ 1,229,891	$ 1,385,643	$ 1,735,174	$ 1,658,846	$ 1,606,626
13,266,545	12,655,824	12,024,645	11,408,408	10,788,262	10,770,532
18,082,536	17,238,499	16,795,986	16,589,708	16,107,840	16,033,221
2,400,875	1,964,380	1,917,223	1,904,464	1,845,850	1,656,662
2,525,521	2,628,645	2,145,769	1,994,413	2,002,615	2,012,501
524,516	645,604	509,074	590,676	510,338	515,874
308,917	279,375	279,772	236,922	247,170	240,018
72,135	60,603	59,409	54,280	37,002	51,038
379,211	394,388	424,595	678,888	592,668	616,328
38,940,388	37,097,209	35,542,116	35,192,933	33,790,591	33,502,800
9,300,291	9,063,716	8,576,540	8,323,884	7,984,962	7,931,918
2,882,954	2,296,062	2,153,073	2,025,638	2,032,910	2,193,829
325,523	328,266	379,714	458,112	1,152,763	1,858,989
207,054	194,402	11,587	158,809	229,630	191,949
12,715,822	11,882,446	11,120,914	10,966,443	11,400,265	12,176,685
$ 51,656,210	$ 48,979,655	$ 46,663,030	$ 46,159,376	$ 45,190,856	$ 45,679,485
$ 724,539	$ 698,096	$ 799,281	$ 621,448	$ 2,770,681	$ 2,205,860
78,995	292,832	91,838	134,140	562,606	576,110
184,472	186,972	167,297	157,056	154,324	161,190
273,257	236,843	275,045	260,346	236,035	235,067
16,277,251	15,611,324	15,372,385	15,758,799	14,780,822	15,317,258
1,560,745	1,608,086	1,377,654	1,182,723	1,239,876	1,310,696
19,099,259	18,634,153	18,083,500	18,114,512	19,744,344	19,806,181
3,578,611	3,552,863	3,509,384	3,241,333	2,993,298	2,992,037
2,965,082	2,188,034	2,121,100	2,363,917	—	—
649,655	709,830	785,392	849,070	—	—
43,124	30,181	11,640	95,020	146,407	114,152
3,031,969	2,788,516	2,636,285	2,611,058	6,695,670	7,251,162
107,167	79,085	60,543	102,216	36,664	90,665
10,375,608	9,348,509	9,124,344	9,262,614	9,872,039	10,448,016
$ 29,474,867	$ 27,982,662	$ 27,207,844	$ 27,377,126	$ 29,616,383	$ 30,254,197
$ (19,841,129)	$ (18,463,056)	$ (17,458,616)	$ (17,078,421)	$ (14,046,247)	$ (13,696,619)
(2,340,214)	(2,533,937)	(1,996,570)	(1,703,829)	(1,528,226)	(1,728,669)
$ (22,181,343)	$ (20,996,993)	$ (19,455,186)	$ (18,782,250)	$ (15,574,473)	$ (15,425,288)

(continued)

Schedule 2
Changes in Net Position
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	2022	2021	2020	2019
General Revenues and Other Changes in Net Position				
Governmental Activities [1] [2]				
General Revenues				
Taxes				
Individual Income	$ 17,424,758	$ 13,699,488	$ 12,529,857	$ 12,255,424
Sales - General	8,447,837	7,268,260	6,212,812	6,226,817
Motor Fuel Tax	1,601,486	1,779,560	1,872,628	1,836,890
Motor Vehicle License and Title Ad Valorem Taxes[4]	1,240,166	1,139,049	1,041,107	1,253,113
Corporate Tax	2,393,161	1,741,239	1,214,809	1,272,157
Other Taxes	1,114,093	1,321,424	1,069,632	939,419
Lottery for Education - Lottery Proceeds[4]	1,474,003	1,544,954	1,237,345	1,207,369
Nursing Home and Hospital Provider Fees[4]	525,555	519,078	513,666	488,218
Tobacco Settlement Funds[4]	180,573	175,995	157,009	163,851
Unrestricted Investment Income	(24,622)	15,468	148,822	205,072
Unclaimed Property	129,263	179,098	141,925	144,841
Other	217,998	171,346	185,350	221,221
Transfers	(3,785,712)	(2,871,515)	(3,035,910)	(3,485,850)
Total Governmental Activities	30,938,559	26,683,444	23,289,052	22,728,542
Business-type Activities [1] [2]				
General Revenues				
Contributions to Permanent Endowments	11,817	731	964	1,300
Transfers	3,785,712	2,871,515	3,035,910	3,485,850
Total Business-type Activities	3,797,529	2,872,246	3,036,874	3,487,150
Total Primary Government General Revenues and Other Changes in Net Position	$ 34,736,088	$ 29,555,690	$ 26,325,926	$ 26,215,692
Changes in Net Position				
Governmental Activities [1] [2]	$ 10,178,828	$ 6,062,713	$ 2,068,681	$ 2,223,567
Business-type Activities [1] [2] [3]	2,052,196	(615,581)	(1,578,170)	961,607
Total Primary Government	$ 12,231,024	$ 5,447,132	$ 490,511	$ 3,185,174

(1) Beginning in fiscal year 2013, the activity of the Armstrong Atlantic State University Educational Properties Foundation, Inc., the Georgia State University Foundation, Inc., the Georgia State University Research Foundation, Inc., the Georgia Tech Facilities, Inc., the University System of Georgia Foundation, Inc. and the VSU Auxiliary Services Real Estate Foundation, Inc., component units, are blended with those of the nonmajor enterprise funds (previously discretely presented). Beginning in the fiscal year 2014, the activity of the Georgia Southern University Housing Foundation, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the North Georgia Real Estate Foundation, Inc., and the UWG Real Estate Foundation, component units, are blended with those of the nonmajor enterprise funds (previously discretely presented). Beginning in fiscal year 2015, the activity of the Georgia State University Foundation, Inc. is discretely presented (previously blended) and the activity of the Armstrong Atlantic State University Educational Properties Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. Beginning in fiscal year 2016, the Georgia Tech Facilities, Inc., the Middle Georgia State University Real Estate Foundation, Inc., the University of North Georgia Real Estate Foundation, Inc., and the University System of Georgia Foundation, Inc. are discreetly presented (previously blended) and the activity of the Georgia State University Research Foundation, Inc. is removed as it no longer met requirements for inclusion in the financial reporting entity as nonmajor enterprise funds. Additionally, Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc., and VSU Auxiliary Services Real Estate Foundation, Inc. are reported in the Higher Education Fund (previously blended nonmajor enterprise funds). Then in fiscal year 2017 these three foundations no longer met the requirements for being reported in the Higher Education Fund and are reported as discretely presented component units.

(2) In fiscal year 2015, the activities of SRTA were re-examined and all activities of this blended component unit are reported as Governmental Activities. In fiscal year 2017, SRTA was re-examined again and it was determined that the toll facilities and customer service center (previously part of governmental activities) are now reported as part of business-type activities.

Fiscal Year

2018	2017	2016	2015	2014	2013
$ 11,109,361	$ 11,318,052	$ 9,799,035	$ 9,769,658	$ 8,976,720	$ 8,854,916
5,905,929	5,798,400	5,730,560	5,235,481	4,988,620	5,082,342
1,800,191	1,741,413	1,668,568	1,210,079	1,196,154	1,149,110
1,314,354	1,347,626	1,307,054	1,167,421	—	—
1,004,524	955,791	981,475	1,014,290	949,815	806,881
1,124,370	607,929	1,515,674	774,605	801,605	752,103
1,143,515	1,101,062	1,097,823	980,653	—	—
465,595	442,576	434,126	454,372	—	—
168,926	140,938	137,035	138,385	—	—
104,230	50,631	33,936	9,103	4,995	323
151,462	143,683	153,257	156,360	148,129	138,832
184,240	196,046	12,916	9,646	12,112	126,862
(2,993,509)	(2,803,960)	(2,639,131)	(2,657,978)	(2,308,895)	(2,377,595)
21,483,188	21,040,187	20,232,328	18,262,075	14,769,255	14,533,774
345	833	137	—	7,522	1,231
2,993,509	2,803,960	2,639,131	2,657,978	2,308,895	2,377,595
2,993,854	2,804,793	2,639,268	2,657,978	2,316,417	2,378,826
$ 24,477,042	$ 23,844,980	$ 22,871,596	$ 20,920,053	$ 17,085,672	$ 16,912,600
$ 1,642,059	$ 2,577,131	$ 2,773,712	$ 1,183,654	$ 723,008	$ 837,155
653,640	270,856	642,698	954,149	788,191	650,157
$ 2,295,699	$ 2,847,987	$ 3,416,410	$ 2,137,803	$ 1,511,199	$ 1,487,312

Beginning in fiscal year 2015, Motor Vehicle License and Title ad valorem Taxes, Lottery for Education - Lottery Proceeds, Nursing Home and Hospital Provider Fees, and Tobacco Settlement Funds, previously reported within the General Government function program revenues, are reported as general revenues of the Governmental Activities.

Beginning in fiscal year 2015, State Health Benefit Plan - Contributions/Premiums and Unemployment Compensation Fund - Contributions, previously reported within Program Revenues, Business-type Activities, Operating Grants and Contributions are reported as Sales and Charges for Services.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports* and supporting working papers (certain amounts restated for purposes of comparability)

Schedule 3
Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts in thousands)

	2022	2021	2020	2019	2018
General Fund					
Nonspendable	$ 39,268	$ 27,612	$ 39,561	$ 20,780	$ 35,375
Restricted	6,681,824	6,297,540	5,440,832	5,438,608	5,118,497
Unrestricted					
Committed	30,689	21,145	17,372	9,385	11,753
Assigned	1,504,894	818,728	494,586	522,273	437,737
Unassigned	11,761,403	6,184,089	2,414,540	2,833,072	2,506,449
Total General Fund	$ 20,018,078	$ 13,349,114	$ 8,406,891	$ 8,824,118	$ 8,109,811
All Other Governmental Funds (1)					
Nonspendable	$ —	$ —	$ 16,770	$ 16,770	$ 16,770
Restricted	2,775,287	2,548,478	1,781,860	1,916,578	1,475,928
Unrestricted					
Assigned	99,336	47,877	54,949	72,796	84,912
Total All Other Governmental Funds	$ 2,874,623	$ 2,596,355	$ 1,853,579	$ 2,006,144	$ 1,577,610

(1) Beginning in fiscal year 2015, all activities of SRTA, a blended component unit, are reported as Special Revenue Funds (previously only the balances of its General Fund are included in the State’s Special Revenue Funds). In fiscal year 2017, the activities of SRTA were re-examined, and only SRTA’s General Fund is included in the State’s Special Revenue Funds.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports*
(certain amounts restated for purposes of comparability)

Fiscal Year

2017	2016	2015	2014	2013
$ 82,570	$ 66,744	$ 50,979	$ 54,972	$ 56,937
4,652,244	4,112,561	3,284,676	3,371,495	3,177,010
10,921	9,287	7,713	3,232	4,954
418,815	345,667	444,077	325,552	365,985
2,211,442	1,795,230	1,282,974	1,073,662	798,630
$ 7,375,992	$ 6,329,489	$ 5,070,419	$ 4,828,913	$ 4,403,516
$ 15,289	$ 136	$ 257	$ 14	$ 14
1,310,861	1,242,119	1,074,877	1,216,195	1,065,153
74,100	69,288	60,062	74,489	55,061
$ 1,400,250	$ 1,311,543	$ 1,135,196	$ 1,290,698	$ 1,120,228

Schedule 4
Changes in Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts in thousands)

	2022	2021	2020	2019	2018
Revenues (1)					
Taxes					
Individual Income	$ 17,399,160	$ 14,024,344	$ 12,545,944	$ 12,202,473	$ 11,644,160
Sales - General	8,445,396	7,343,273	6,230,249	6,286,292	6,019,297
Motor Fuel Tax	1,601,486	1,779,560	1,872,628	1,836,890	1,800,191
Motor Vehicle License and Title ad valorem Taxes(3)	1,240,166	1,139,049	1,041,107	1,253,113	1,314,354
Corporate Tax	2,298,751	1,741,239	1,214,809	1,272,157	1,004,524
Other Taxes	1,110,454	1,003,107	1,125,499	851,105	1,057,108
Licenses and Permits	458,548	432,292	411,368	406,811	423,796
Intergovernmental - Federal	27,460,439	23,892,327	18,280,850	16,930,680	16,926,361
Intergovernmental - Other	943,281	732,248	618,597	663,598	637,053
Sales and Services	521,107	535,639	444,394	429,050	426,328
Fines and Forfeits	515,805	483,319	482,952	523,033	475,711
Interest and Other Investment Income	(41,960)	35,523	208,359	285,225	142,282
Unclaimed Property	131,181	180,361	141,925	144,841	151,462
Lottery Proceeds	1,474,003	1,544,954	1,237,345	1,207,369	1,143,515
Nursing Home Provider Fees	150,790	152,797	168,453	154,263	161,575
Hospital Provider Payments	374,765	366,281	345,213	333,955	304,020
Other	387,039	320,865	380,507	328,212	308,655
Total Revenues	64,470,411	55,707,178	46,750,199	45,109,067	43,940,392
Expenditures (1)					
Current					
General Government	1,933,951	1,624,883	1,200,665	1,018,790	963,123
Education	17,313,420	16,025,139	14,693,652	13,859,041	13,271,141
Health and Welfare	25,535,004	22,530,467	19,231,330	18,192,601	18,205,579
Transportation	3,470,747	3,426,702	3,450,047	3,239,744	2,882,072
Public Safety	2,642,397	2,303,584	2,597,921	2,697,770	2,607,044
Economic Development and Assistance	640,045	489,623	414,221	525,126	565,462
Culture and Recreation	361,559	324,340	292,628	311,170	302,262
Conservation	70,155	61,522	58,921	62,549	85,328
Capital Outlay	766,967	793,847	959,817	890,631	902,083
Debt Service					
Principal	1,136,230	931,555	1,056,725	1,029,075	1,068,590
Interest	515,638	420,137	440,086	436,216	430,077
Other Charges	161,868	195,734	22,676	23,765	27,036
Intergovernmental	267,633	230,413	276,081	178,421	246,015
Total Expenditures	54,815,614	49,357,946	44,694,770	42,464,899	41,555,812
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,654,797	6,349,232	2,055,429	2,644,168	2,384,580

Fiscal Year

2017	2016	2015	2014	2013
$ 11,023,806	$ 10,078,312	$ 9,714,090	$ 8,976,720	$ 8,854,916
5,781,149	5,473,282	5,263,011	4,988,620	5,082,342
1,741,414	1,668,568	1,210,079	1,196,154	1,149,110
1,347,626	1,307,054	1,167,421	—	—
955,790	981,475	1,014,290	949,815	806,881
977,494	1,186,308	871,158	801,605	752,103
392,102	499,313	328,028	1,387,113	753,517
16,543,931	15,946,548	16,056,116	15,359,809	15,935,839
519,077	547,897	646,442	590,000	626,723
608,204	403,849	439,342	449,697	483,606
475,421	464,064	444,301	446,646	607,862
68,780	50,219	26,243	23,365	7,244
143,683	153,257	156,360	148,129	138,832
1,101,062	1,097,823	980,653	945,097	927,479
156,746	163,524	175,414	169,521	176,864
285,830	270,602	278,958	237,978	232,080
288,396	130,774	129,092	68,375	75,148
42,410,511	40,422,869	38,900,998	36,738,644	36,610,546
915,149	1,021,257	1,059,255	1,119,722	1,045,120
12,605,566	12,010,308	11,435,031	10,787,182	10,768,786
17,225,344	16,872,312	16,713,851	16,106,379	16,031,121
2,901,428	2,181,785	2,095,554	1,847,149	1,879,877
2,540,030	2,193,494	2,122,905	1,969,468	2,033,814
692,393	600,031	610,472	512,286	494,016
301,768	304,703	263,263	257,416	263,636
58,888	56,514	53,394	47,471	51,314
889,793	765,976	1,010,110	699,126	600,128
1,042,625	988,145	966,445	850,290	774,855
419,177	449,666	460,214	466,787	461,432
26,541	25,848	27,284	75,372	155,290
175,136	200,373	223,531	209,097	138,161
39,793,838	37,670,412	37,041,309	34,947,745	34,697,550
2,616,673	2,752,457	1,859,689	1,790,899	1,912,996

(continued)

Schedule 4
Changes in Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts in thousands)

	2022	2021	2020	2019	2018
Other Financing Sources (Uses) [(1)]					
General Obligation Bonds Issuance	1,096,630	1,132,515	914,675	1,228,625	1,041,015
Refunding Bonds Issuance	—	—	321,835	285,915	634,545
Revenue Bond Issuance	—	—	—	—	—
GARVEE Bond Issuance	—	484,160	—	—	—
Debt Issuance - Other	—	—	63,850	63,850	63,850
Premium on General Obligation Bonds Sold	187,541	183,801	85,090	95,163	119,498
Premium on Refunding Bonds Sold	—	—	29,772	27,159	91,178
Premium on GARVEE Bonds Sold	—	117,790	11,455	11,455	11,455
Payment to Refunded Bond Escrow Agent	—	—	(351,591)	(313,095)	(724,870)
Capital Leases	71,368	28,248	13,300	16,304	9,625
Transfers In	2,011,196	1,782,170	1,758,836	1,653,039	1,705,963
Transfers Out	(6,036,214)	(4,498,939)	(4,630,778)	(4,477,445)	(4,425,660)
Net Other Financing Sources (Uses)	(2,669,479)	(770,255)	(1,783,556)	(1,409,030)	(1,473,401)
Net Change in Fund Balance	$ 6,985,318	$ 5,578,977	$ 271,873	$ 1,235,138	$ 911,179
Debt Service Expenditures as a Percentage of Noncapital Expenditures [(2)]	3.12 %	2.87 %	3.54 %	3.60 %	3.77 %

(1) Beginning in fiscal year 2015, all activities of SRTA, a blended component unit, are reported as Special Revenue Funds (previously only the balances of its General Fund are included in the State's Special Revenue Funds). In fiscal year 2017, the activities of SRTA were re-examined, and only SRTA's General Fund is included in the State's Special Revenue Funds.

(2) Noncapital expenditures are calculated as total expenditures less capital outlay expenditures less capital expenditures in current expenditure functions. Capital expenditures in current expenditure functions are identified in the process of reconciling Governmental Funds to Governmental Activities.

(3) Beginning in fiscal year 2015, Motor Vehicle License and Title ad valorem Taxes previously reported as Licenses and Permits are reported as Taxes.

Source: Financial Statements included in Current and Prior Years' *Annual Comprehensive Financial Reports* and supporting working papers

Fiscal Year

2017	2016	2015	2014	2013
920,035	1,008,355	823,555	857,670	834,870
1,340,265	275,985	159,350	—	486,825
—	—	11,057	32,718	—
—	—	—	—	—
52,720	20,926	—	—	—
111,054	94,194	78,602	62,075	124,742
283,301	—	13,819	—	102,681
—	—	—	—	—
(1,620,595)	(302,322)	(173,032)	—	(587,396)
35,155	27,617	12,825	8,207	5,847
1,594,219	1,718,186	1,609,361	1,550,566	1,424,420
(4,165,721)	(4,081,733)	(3,882,868)	(3,706,268)	(3,481,263)
(1,449,567)	(1,238,792)	(1,347,331)	(1,195,032)	(1,089,274)
$ 1,167,106	$ 1,513,665	$ 512,358	$ 595,867	$ 823,722
3.90 %	3.98 %	3.98 %	3.91 %	3.67 %

Schedule 5
Revenue Base - Personal Income by Industry
For the Last Ten Calendar Years
(amounts in millions)

	2021	2020	2019	2018
Accommodation and Food Services	$ 12,969	$ 11,381	$ 11,904	$ 10,980
Administrative and Waste Management Services	22,453	19,288	18,895	17,805
Arts, Entertainment and Recreation	2,992	2,699	2,777	2,527
Construction	25,569	23,232	21,712	21,267
Educational Services	6,506	5,820	5,658	5,362
Farm Earnings	1,968	1,669	1,907	2,649
Federal Government - Civilian	13,029	12,536	12,262	11,313
Federal Government - Military	7,533	7,330	7,212	6,838
Finance and Insurance	27,097	24,605	23,368	22,063
Forestry, Fishing and Related Activities	1,207	1,133	1,125	1,000
Health Care and Social Assistance	42,032	37,427	37,057	34,561
Information	25,713	20,926	21,721	21,089
Management of Companies and Enterprises	14,043	13,895	14,117	10,529
Manufacturing	33,849	30,848	31,096	31,805
Mining	869	948	994	862
Other Services, Except Public Administration	13,166	11,981	12,130	11,361
Professional, Scientific and Technical Services	42,233	38,693	36,339	34,522
Real Estate, Rental and Leasing	14,665	12,376	9,354	7,766
Retail Trade	25,597	23,020	21,203	20,738
State and Local Government	39,478	37,978	39,087	37,692
Transportation and Warehousing	19,087	18,484	17,170	17,980
Utilities	3,845	3,817	3,467	3,012
Wholesale Trade	23,351	21,559	22,951	20,846
Other	177,849	166,331	138,238	126,646
Total Personal Income	$ 597,100	$ 547,976	$ 511,744	$ 481,213
Average Effective Rate [(1)]	2.3 %	2.3 %	2.4 %	2.4 %

(1) The total direct rate for personal income is not available. The average effective rate was calculated by dividing individual income tax collections on a fiscal year basis (see Schedule 4) by total personal income on a calendar year basis.

Source: U. S. Department of Commerce, Bureau of Economic Analysis

Calendar Year

2017	2016	2015	2014	2013	2012
$ 10,507	$ 10,209	$ 9,838	$ 9,551	$ 8,969	$ 8,595
16,932	15,610	15,166	14,828	13,744	12,873
2,483	2,171	2,231	2,379	2,277	2,162
18,941	17,604	15,391	14,766	13,365	12,471
5,120	4,849	4,705	4,638	4,391	4,318
1,946	1,814	2,476	3,230	3,640	3,429
11,183	10,806	10,421	9,824	9,796	10,076
6,579	6,446	6,825	6,833	7,048	7,229
21,193	19,269	18,663	18,200	17,386	16,492
973	1,045	1,010	1,010	872	847
32,850	31,688	29,914	28,658	27,487	26,127
21,069	18,669	15,118	12,225	11,414	10,922
9,189	8,443	8,179	7,776	7,009	6,626
30,423	29,125	27,921	26,822	25,876	24,977
783	787	560	592	558	524
10,875	10,528	10,309	10,460	10,055	9,619
32,809	31,180	30,183	28,908	26,708	25,972
7,335	6,262	5,784	6,454	6,135	5,740
20,097	19,375	19,046	18,127	17,303	16,415
37,087	35,643	33,051	32,454	32,139	32,100
17,013	16,172	14,838	13,881	13,143	12,498
2,935	2,902	2,657	2,435	2,401	2,294
21,385	21,150	20,493	19,539	18,709	17,917
120,696	112,931	106,943	101,183	97,731	98,926
$ 460,403	$ 434,678	$ 411,722	$ 394,773	$ 378,156	$ 369,149
2.4 %	2.3 %	2.4 %	2.3 %	2.3 %	2.2 %

Schedule 6
Individual Income Tax Rates by Filing Status and Income Level
For the Last Ten Calendar Years

Filing Status

Income Level	Georgia Taxable Net Income Level 2022 - 2018	Georgia Taxable Net Income Level 2017 - 2013
Single	**Tax Rate**	**Tax Rate**
Not Over $750	1%	1%
Over $750 But Not Over $2,250	$7.50 Plus 2% of Amount Over $750	$7.50 Plus 2% of Amount Over $750
Over $2,250 But Not Over $3,750	$37.50 Plus 3% of Amount Over $2,250	$37.50 Plus 3% of Amount Over $2,250
Over $3,750 But Not Over $5,250	$82.50 Plus 4% of Amount Over $3,750	$82.50 Plus 4% of Amount Over $3,750
Over $5,250 But Not Over $7,000	$142.50 Plus 5% of Amount Over $5,250	$142.50 Plus 5% of Amount Over $5,250
Over $7,000	$230.00 Plus 5.75% of Amount Over $7,000	$230.00 Plus 6% of Amount Over $7,000
Married Filing Separately		
Not Over $500	1%	1%
Over $500 But Not Over $1,500	$5.00 Plus 2% of Amount Over $500	$5.00 Plus 2% of Amount Over $500
Over $1,500 But Not Over $2,500	$25.00 Plus 3% of Amount Over $1,500	$25.00 Plus 3% of Amount Over $1,500
Over $2,500 But Not Over $3,500	$55.00 Plus 4% of Amount Over $2,500	$55.00 Plus 4% of Amount Over $2,500
Over $3,500 But Not Over $5,000	$95.00 Plus 5% of Amount Over $3,500	$95.00 Plus 5% of Amount Over $3,500
Over $5,000	$170.00 Plus 5.75% of Amount Over $5,000	$170.00 Plus 6% of Amount Over $5,000
Head of Household and Married Filing Jointly		
Not Over $1,000	1%	1%
Over $1,000 But Not Over $3,000	$10.00 Plus 2% of Amount Over $1,000	$10.00 Plus 2% of Amount Over $1,000
Over $3,000 But Not Over $5,000	$50.00 Plus 3% of Amount Over $3,000	$50.00 Plus 3% of Amount Over $3,000
Over $5,000 But Not Over $7,000	$110.00 Plus 4% of Amount Over $5,000	$110.00 Plus 4% of Amount Over $5,000
Over $7,000 But Not Over $10,000	$190.00 Plus 5% of Amount Over $7,000	$190.00 Plus 5% of Amount Over $7,000
Over $10,000	$340.00 Plus 5.75% of Amount Over $10,000	$340.00 Plus 6% of Amount Over $10,000

Source: OCGA § 48-7-20, Paragraph (b)(1)

Schedule 7
Individual Income Tax Filers and Liability by Income Level
For Calendar Years 2020(1) and 2011

(amounts, except income level, are in thousands)

2020(1)

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$1,000 and under (2)	1,010,991	20.3 %	$ 958,040	6.9 %
$1,001 to $5,000	212,987	4.3 %	1	0.0 %
$5,001 to $10,000	269,095	5.4 %	2,105	0.0%.
$10,001 to $15,000	300,178	6.0 %	28,101	0.2 %
$15,001 to $20,000	302,101	6.1 %	83,299	0.6 %
$20,001 to $25,000	289,328	5.8 %	147,362	1.1 %
$25,001 to $30,000	277,494	5.6 %	210,552	1.5 %
$30,001 to $50,000	803,673	16.1 %	1,093,832	7.9 %
$50,001 to $100,000	836,951	16.8 %	2,483,609	17.9 %
$100,001 to $500,000	642,768	12.9 %	5,453,095	39.3 %
$500,001 to $1,000,000	29,067	0.6 %	1,020,390	7.4 %
$1,000,001 and higher	14,735	0.3 %	2,378,422	17.2 %
Totals	4,989,368	100.0 %	$ 13,858,808	100.0 %

2011

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$1,000 and under (2)	679,679	16.5 %	$ 460,065	5.9 %
$1,001 to $5,000	213,806	5.2 %	5	0.0 %
$5,001 to $10,000	330,993	8.1 %	9,624	0.1 %
$10,001 to $15,000	358,428	8.7 %	44,598	0.6 %
$15,001 to $20,000	326,187	7.9 %	94,295	1.2 %
$20,001 to $25,000	273,751	6.7 %	137,534	1.8 %
$25,001 to $30,000	229,322	5.6 %	167,471	2.2 %
$30,001 to $50,000	608,972	14.8 %	766,000	9.9 %
$50,001 to $100,000	665,761	16.2 %	1,805,790	23.3 %
$100,001 to $500,000	403,127	9.8 %	2,987,893	38.5 %
$500,001 to $1,000,000	13,810	0.3 %	465,075	6.0 %
$1,000,001 and higher	6,172	0.2 %	827,101	10.7 %
Totals	4,110,008	100.0 %	$ 7,765,451	100.0 %

(1) Most recent available data.

(2) Category also includes payments from out-of-state residents and partial-year payers

Source: Department of Revenue

Schedule 8
Ratios of Outstanding Debt by Type
For the Last Ten Fiscal Years
(amounts in thousands, except per capita amounts)

	Governmental Activities [1]			
Fiscal Year	General Obligation Bonds	Revenue(2) Bonds	Capital Leases	Notes and Loans
2022	$ 10,947,663	$ 593,139	$ 894,815	$ 47,315
2021	10,696,568	670,231	321,873	55,299
2020	10,351,636	613,770	212,709	62,364
2019	10,352,603	613,770	219,259	69,262
2018	10,043,489	613,770	233,398	74,141
2017	9,851,713	745,477	237,505	78,450
2016	9,493,441	983,947	184,689	87,228
2015	9,367,381	1,200,365	221,690	21,662
2014	9,437,844	1,367,068	252,830	4,024
2013	9,072,784	1,503,925	255,763	4,000

(1) In fiscal year 2015, the activities of State Road and Tollway Authority (SRTA), a blended component unit, were reported as Governmental Activities. In fiscal year 2017, a re-examination determined that activities of this blended component unit should be reported in both Governmental Activities and Business-type Activities as was the presentation in fiscal years 2014 and prior.

(2) The Governmental Activities Revenue Bonds include $41.9 million of bonds secured by a joint resolution between the Department of Transportation (DOT) (General Fund) and the SRTA (Nonmajor Governmental Fund) whereby DOT has pledged to provide sufficient motor fuel tax funds to pay the principal and interest of the revenue bonds. According to the State Constitution, motor fuel tax funds are imposed and appropriated for all activities incident to maintaining an adequate system of roads and bridges in the State. In fiscal year 2022, the State collected $1.6 billion of motor fuel tax funds. The principal and interest on the revenue bonds for fiscal year 2022 was $24.2 million. The debt service requirements to maturity on these bonds is included in the Notes to the Financial Statements.

(3) See Schedule 11 (Population/Demographics) for personal income and population data.

Source: Financial Information included in Current and Prior Years' *Annual Comprehensive Financial Reports*

Business -Type Activities (1)					
Revenue Bonds	Capital Leases	Notes and Loans	Total Primary Government	Percentage of Personal Income(3)	Outstanding Debt Per Capita(3)
$ 610,031	$ 515,264	$ 2,457,936	$ 16,066,163	2.7 %	$ 1,488
232,337	2,676,623	299	14,952,250	2.7 %	1,396
234,234	2,810,668	267,240	14,552,621	2.8 %	1,371
242,003	2,856,209	269,459	14,612,268	3.0 %	1,389
266,150	2,914,195	264,793	14,407,067	3.1 %	1,376
269,136	3,044,125	256,768	14,483,174	3.3 %	1,400
756,539	2,633,261	11,677	14,150,782	3.4 %	1,380
1,384,058	1,948,804	6,027	14,149,987	3.6 %	1,396
1,781,514	1,829,517	3,923	14,676,720	3.9 %	1,464
1,211,200	2,370,028	397,692	14,815,392	4.0 %	1,488

Schedule 9
Ratios of General Bonded Debt Outstanding
For the Last Ten Fiscal Years
(amounts in thousands, except per capita amounts)

Fiscal Year	Net General Bonded Debt[1]	Percentage of Personal Income[2]	Outstanding Debt Per Capita[2]
2022	$ 10,933,141	1.83%	$ 1,012.37
2021	10,720,348	1.96%	1,000.96
2020	10,449,792	2.04%	984.21
2019	10,450,756	2.17%	993.47
2018	10,141,642	2.20%	972.41
2017	10,061,106	2.31%	975.82
2016	9,720,956	2.36%	951.65
2015	9,620,047	2.44%	952.75
2014	9,767,110	2.58%	977.54
2013	9,427,553	2.55%	950.58

(1) In fiscal year 2015, the activities of SRTA were re-examined and all activities of this blended component unit are reported as Governmental Activities. In fiscal year 2017, SRTA's activities reverted back to the blended presentation, where its activity and balances are included in both Governmental Activities and Business-type Activities.

(2) See Schedule 11 (Population/Demographics) for personal income and population data.

Source: Financial Information included in Current and Prior Years' *Annual Comprehensive Financial Reports*


STATE OF GEORGIA
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Schedule 10
Computation of Legal Debt Margin
For the Last Ten Fiscal Years
(amounts in whole dollars)

	2022	2021	2020 [3]	2019	2018
Revenue Base:					
Treasury Receipts for the Preceding Fiscal Year [1]	$ 30,316,588,230	$ 26,900,038,894	$ 22,748,258,000	$ 25,649,499,261	$24,519,402,190
Debt Limit Amount:					
Highest Aggregate Annual Commitments					
(Principal and Interest) Permitted Under					
Constitutional Limitation (10% of above)	$ 3,031,658,823	$ 2,690,003,889	$ 2,274,825,800	$ 2,564,949,926	$ 2,451,940,219
Debt Applicable to the Limit:					
Highest Total Annual Commitments in Current or					
any Subsequent Fiscal Year [2]	1,332,216,725	1,364,751,098	1,452,097,870	1,432,215,164	1,398,096,186
Legal Debt Margin	$ 1,699,442,098	$ 1,325,252,791	$ 822,727,930	$ 1,132,734,762	$ 1,053,844,033
Total Debt Applicable to the Limit as Percentage of					
Debt Limit Amount	43.9 %	50.7 %	63.8 %	55.8 %	57.0 %

(1) Includes Indigent Care Trust Fund Receipts, Brain and Spinal Injury Trust Fund Receipts, Lottery Proceeds and Tobacco Settlement Funds.

(2) Includes issued and outstanding debt as of the end of each fiscal year and appropriated debt service for any authorized but unissued general obligation (and guaranteed revenue) bonds.

(3) The 2020 treasury receipts, debt limit amount and debt applicable to the limit is based on unaudited, preliminary data due to the timing of the series 2020AB bonds issuance in August (fiscal year 2021) and pandemic related impacts on state revenues. Final fiscal year 2020 data was not available as of the date of the 2020AB Official Statement. The unaudited, preliminary treasury receipts used for the legal debt margin calculation includes only those revenues received by the Department of Revenue through July 6, 2020. It does not include receipts of various other state revenues collected by other state agencies which were not available as of the time of the 2020AB Official Statement. Additionally, no provision was made for state individual or corporate income taxes collected in July due to the State's decision to align its tax payment deadlines to coincide with the extended federal income tax payment deadline of July 15, 2020 for calendar year 2019 and the first and second quarters of 2020. The legal debt margin calculation follows the provisions set forward in the State Constitution.

Source: *Prior Year's Annual Comprehensive Financial Reports, other annual state reports, Georgia State Financing and Investment Commission, Constitution of the State of Georgia.*

Note: The Constitution of the State of Georgia limits the combined total of highest annual debt service requirements for general obligation and guaranteed revenue debt to 10% of the prior year's revenue collections.

Fiscal Year

2017	2016	2015	2014	2013
$ 23,476,964,889	$ 21,557,498,541	$ 20,256,765,494	$ 19,539,691,058	$ 18,316,797,048
$ 2,347,696,489	$ 2,155,749,854	$ 2,025,676,549	$ 1,953,969,106	$ 1,831,679,705
1,405,379,184	1,311,486,764	1,305,012,971	1,320,929,740	1,289,411,544
$ 942,317,305	$ 844,263,090	$ 720,663,578	$ 633,039,366	$ 542,268,161
59.9 %	60.8 %	64.4 %	67.6 %	70.4 %

Schedule 11
Population/Demographics
For the Last Ten Calendar Years

Year	Population	Personal Income (in millions)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2021	10,799,566	$ 597,101	$ 55,289	1,736,159	4.5%
2020	10,710,017	547,976	51,165	1,723,127	8.4%
2019	10,617,423	511,744	48,236	1,760,739	3.5%
2018	10,519,475	481,213	45,745	1,759,838	3.9%
2017	10,429,379	460,403	44,145	1,761,472	4.7%
2016	10,310,371	434,678	42,159	1,757,543	5.4%
2015	10,214,860	411,722	40,306	1,749,852	5.9%
2014	10,097,132	394,773	39,097	1,736,416	7.1%
2013	9,991,562	378,156	37,845	1,716,905	8.2%
2012	9,917,639	369,149	37,229	1,693,374	9.2%

Sources:
Population - U. S. Department of Commerce, Bureau of the Census (midyear population estimates)
Personal Income - U. S. Department of Commerce, Bureau of Economic Analysis
Public School Enrollment - Georgia Department of Education (March of each school year)
Unemployment Rate - U. S. Department of Labor (annual average)

Schedule 12
Principal Private Sector Employers
Fiscal Year 2022 and Nine Years Previous (2013)

2022 Employers	2013 Employers
Amazon.Com Services, Inc.	AT&T Services, Inc.
Chick-Fil-A, Inc.	Delta Air Lines, Inc.
Children's Healthcare	Emory Healthcare, Inc.
Delta Air Lines, Inc.	Emory University
Emory Healthcare, Inc.	Georgia Power Company
Emory University	The Home Depot, Inc.
Lowe's Home Center, Inc.	Lowe's Home Center, Inc.
McDonalds	Northside Hospital, Inc.
Northside Hospital, Inc.	Publix Supermarkets, Inc.
Publix Super Markets, Inc.	Rare Hospitality International, Inc.
Shaw Industries Group, Inc.	Shaw Industries Group, Inc.
Target	The Kroger Company
The Home Depot, Inc.	United Parcel Service, Inc.
The Kroger Company	Wal-Mart Stores, Inc.
United Parcel Service, Inc.	Wellstar Health System
Wal-Mart Stores, Inc.	
Wellstar Health System, Inc.	

To protect employer confidentiality, OCGA § 34-8-121(b)(3) prohibits the release of employee numbers by employer.

Sources: 2022 - Department of Labor (1st quarter 2022)
2013 - Comprehensive Annual Financial Report - Fiscal Year Ended June 30, 2013

Schedule 13
State Government Employment by Function
For the Last Ten Fiscal Years [1]

	2022	2021	2020	2019	2018
Governmental Activities					
General Government	7,999	8,020	8,118	8,619	8,408
Education	2,521	2,462	2,466	2,513	2,342
Health and Welfare	20,532	21,212	21,013	20,922	21,203
Transportation	4,392	4,335	4,618	4,883	4,863
Public Safety	20,026	21,551	24,991	26,789	28,686
Economic Development and Assistance	2,210	1,998	2,026	2,092	2,258
Culture and Recreation	3,189	3,066	3,097	3,227	3,112
Conservation	733	743	766	808	818
	61,602	63,387	67,095	69,853	71,690
Business-Type Activities [(2) (5)]					
State Road and Tollway Authority [(3)]	140	130	132	129	116
Higher Education Fund [(4)]	92,077	89,175	85,707	82,525	80,237
	92,217	89,305	85,839	82,654	80,353
Total Employment	153,819	152,692	152,934	152,507	152,043

(1) Includes employees that were active at any time during the Fiscal Year. An individual employee may, therefore, be included in multiple functions if the employee transferred among functions during the fiscal year. This does not represent the number of active employees at the end of the year.

(2) Employees of certain Business-Type Activities organizations are included in Governmental Activities as follows:

Employees of the State Health Benefit Plan are included as employees of the Department of Community Health in Health and Welfare.

Employees of the Unemployment Compensation Fund are included as employees of the Department of Labor in Economic Development and Assistance.

(3) In fiscal year 2015, the activities of State Road and Tollway Authority (SRTA) were examined and all activity was reported as Governmental Activities. In fiscal year 2017 SRTA, was re-examined and it was determined that the toll facilities and customer service center (previously part of Governmental Activities) are now reported as part of Business-Type Activities.

(4) Beginning in fiscal year 2013, Georgia Military College, formerly a blended component unit included in the Higher Education Fund, is reported as a discretely presented component unit and is no longer included in this schedule.

(5) No employees for the Nonmajor Enterprise Funds (Business-Type Activities) Georgia Higher Education Finance Authority and Higher Education Foundations are included as these organizations either have no employees, their data is not available or their employees are already reported as employees of another organization in either the Governmental Activities or Business-Type Activities.

Source: Open.Georgia.gov

Fiscal Year				
2017	2016	2015	2014	2013
8,432	8,722	8,402	7,848	8,194
2,152	2,184	1,836	1,419	1,422
21,845	21,073	22,102	18,868	20,463
4,872	5,023	5,102	4,379	4,385
27,780	25,728	25,513	23,430	21,418
2,421	2,487	2,760	2,757	2,459
3,080	2,982	2,838	2,284	2,403
852	820	837	638	647
71,434	69,019	69,390	61,623	61,391
107	—	—	70	79
79,456	80,004	76,972	76,594	74,503
79,563	80,004	76,972	76,664	74,582
150,997	149,023	146,362	138,287	135,973

Schedule 14
Operating Indicators and Capital Assets by Function
For the Last Ten Years (1)

	2022	2021	2020	2019
General Government				
Department of Revenue				
Number of Personal Income Tax Filers	NCA	NCA	4,989,368	4,826,829
Education				
Department of Education				
Public School Enrollment (March FTE Count)				
Pre Kindergarten through Grade 5	803,799	792,304	833,266	841,190
Grades 6 through 8	407,442	413,283	415,766	409,008
Grades 9 through 12	524,918	517,540	511,707	509,640
Board of Regents of the University System of Georgia				
Number of Separate Institutions	26	26	26	26
Number of Active Educators	14,859	14,902	15,242	15,197
Number of Students	340,638	341,489	333,507	328,712
Health and Welfare				
Department of Human Services				
Food Stamp Recipients	1,557,946	1,690,194	1,396,889	1,379,463
Temporary Assistance for Needy Families Recipients	13,299	15,285	15,852	18,968
Transportation				
Department of Transportation				
Miles of State Highway	17,922	17,923	17,953	17,943
Public Safety				
Department of Corrections				
Number of Inmates	47,815	46,586	51,219	54,757
Number of Probationers	NCA	NCA	NCA	NCA
Number of Offenders	193,158	210,246	223,635	221,434
Economic Development and Assistance				
Department of Economic Development				
Economic Impact of Tourism (in millions):				
Domestic Traveler Spending - Direct	NCA	$ 28,487	$ 21,057	$ 29,465
Domestic Travel-generated State Tax Revenues	NCA	$ 2,295	$ 1,666	$ 1,497
Culture and Recreation:				
Department of Natural Resources				
Number of State Parks	43	51	51	50
Number of Historic Sites	13	15	15	15
Acreage of State Parks and Historic Sites (in acres)	84,506	88,237	83,184	79,216
Number of Daily Park Passes Sold	1,023,640	1,170,802	962,076	871,566
Number of Annual Park Passes Sold	69,448	65,453	46,300	26,981
Number of Hunting and Fishing Licenses Sold	1,638,328	1,626,599	1,584,133	1,443,657
Number of Registered Boats	353,862	362,580	367,762	368,094
Conservation				
Forestry Commission				
Economic Impact of Forestry Industry				
Output (in millions)	NCA	NCA	$ 23,400	$ 22,000
Employment	NCA	NCA	54,185	55,562
Compensation (in millions)	NCA	NCA	$ 4,200	$ 3,900

(1) Data is presented by either fiscal year or calendar year based on availability of information.
(2) As of 2017 -DCS no longer uses the categories Parolees and Probationers. DCS has one category-Felony Offenders
Source: NCA - Not Currently Available; Information obtained from the individual organizations listed.

Fiscal Year					
2018	2017	2016	2015	2014	2013
4,642,733	4,532,560	4,389,981	4,423,664	4,471,307	4,319,711
850,534	856,077	856,413	854,352	846,364	836,627
400,469	394,565	392,095	392,433	392,381	388,542
510,469	506,901	500,808	489,631	478,160	468,205
29	29	29	30	31	31
15,161	15,012	14,606	14,478	14,309	13,903
325,203	321,551	318,164	312,936	309,469	314,365
1,564,906	1,654,152	1,745,876	1,825,606	1,823,017	1,957,886
21,993	21,876	26,635	27,219	31,598	35,185
17,959	17,912	17,902	17,907	17,912	17,967
54,758	54,636	53,852	51,002	51,216	53,168
NCA	165,635	168,088	165,926	165,560	164,051
275,777	258.843	—	—	—	—
$ 27,902	$ 26,483	$ 25,558	$ 24,526	$ 23,707	$ 22,354
$ 1,421	$ 1,356	$ 1,307	$ 1,170	$ 1,059	$ 989
49	49	49	49	49	49
15	15	15	15	15	15
85,490	85,430	85,430	85,647	92,880	92,880
875,817	905,504	802,267	790,020	659,391	650,651
15,498	11,954	9,444	7,852	6,187	5,595
1,196,097	1,335,703	1,346,360	1,346,360	1,025,782	955,340
338,210	134,095	143,587	144,979	147,854	125,280
$ 21,500	$ 21,300	$ 20,800	$ 19,200	$ 16,800	$ 16,900
55,089	53,933	51,900	50,385	48,740	50,110
$ 4,000	$ 3,840	$ 3,740	$ 3,550	$ 3,030	$ 3,100