PRELIMINARY OFFICIAL STATEMENT DATED JUNE 9, 2022

NEW ISSUE
(BOOK-ENTRY ONLY)

RATINGS:
Moody's: Aaa
S&P: AAA
Fitch: AAA
See "RATINGS" herein.

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the 2022A Bonds and the 2022C Bonds (also herein referred to collectively as the "**Tax-Exempt Bonds**") is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. INTEREST EARNED ON THE 2022B BONDS (ALSO HEREIN REFERRED TO AS THE "**TAXABLE BONDS**") IS NOT EXCLUDABLE FROM GROSS INCOME OF THE HOLDERS OF THE TAXABLE BONDS FOR FEDERAL INCOME TAX PURPOSES. In the opinion of Bond Counsel, interest on the 2022A Bonds, the 2022B Bonds, and the 2022C Bonds (collectively, the "Bonds") is exempt from present State of Georgia income taxation. See APPENDIX E, APPENDIX F, and APPENDIX G herein for the forms of the opinions Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see "LEGAL AND TAX STATUS" herein.*

Georgia USA

$1,163,225,000*
STATE OF GEORGIA

$494,215,000* General Obligation Bonds 2022A
$186,565,000* General Obligation Bonds 2022B (Federally Taxable)
$482,445,000* General Obligation Refunding Bonds 2022C

Dated: Date of Delivery **Due: As shown on inside cover**

This Official Statement has been prepared by the Georgia State Financing and Investment Commission (the "Commission") for and on behalf of the State of Georgia (the "State") to provide information on the above-captioned bonds (from top to bottom, respectively, the "2022A Bonds," the "2022B Bonds," and the "2022C Bonds" and collectively the "Bonds"). The summary information on this cover is for convenience only. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Security	The Bonds constitute general obligations of the State to which its full faith, credit, and taxing powers are pledged.
Redemption	Certain of the Bonds are not subject to optional redemption prior to their maturity and certain of the Bonds are subject to optional redemption prior to their maturity, as further described herein.
Purpose	The 2022A Bonds and 2022B Bonds are being issued to provide funds for various capital outlay projects of the State, to make grants to various governmental entities for capital outlay projects, and to pay all or a portion of costs of issuance of the 2022A Bonds and 2022B Bonds, as further described herein. The 2022C Bonds are being issued to provide funds to refund certain outstanding general obligations of the State and to pay all or a portion of costs of issuance of the 2022C Bonds as further described herein.
Interest Payment Dates	Semiannual, as described herein.
Denomination	$5,000 and integral multiples thereof.
Registration	Full book-entry only and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York.
Closing/Delivery Date	On or about July 7, 2022*.

The Bonds are being offered when, as and if issued by the State and accepted by the Underwriters, subject to prior sale or withdrawal or modification of the offer without notice, and approval as to legality by Gray Pannell & Woodward LLP, Savannah and Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed upon for the State by its Disclosure Counsel, Kutak Rock LLP, Atlanta, Georgia. Public Resources Advisory Group and Terminus Municipal Advisors, LLC are serving as Co-Financial Advisors to the State.

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* Preliminary, subject to change

$1,163,225,000* State of Georgia General Obligation Bonds Maturity Schedules
(Base CUSIP Number 343385[a])

$494,215,000* General Obligation Bonds 2022A									
Maturing July 1,	Principal Amount*	Interest Rate	Yield	CUSIP[a] Suffix	Maturing July 1,	Principal Amount*	Interest Rate	Yield	CUSIP[a] Suffix
2023	$16,565,000	%	%		2033	$23,815,000	%	%	
2024	17,415,000				2034	25,035,000			
2025	18,305,000				2035	26,320,000			
2026	19,240,000				2036	27,670,000			
2027	20,230,000				2037	29,090,000			
2028	18,545,000				2038	30,580,000			
2029	19,500,000				2039	32,150,000			
2030	20,500,000				2040	33,625,000			
2031	21,550,000				2041	35,000,000			
2032	22,655,000				2042	36,425,000			

$186,565,000* General Obligation Bonds 2022B (Federally Taxable)									
Maturing July 1,	Principal Amount*	Interest Rate	Yield	CUSIP[a] Suffix	Maturing July 1,	Principal Amount*	Interest Rate	Yield	CUSIP[a] Suffix
2023	$7,000,000	%	%		2033	$8,900,000	%	%	
2024	7,265,000				2034	9,280,000			
2025	7,490,000				2035	9,685,000			
2026	7,735,000				2036	10,120,000			
2027	8,000,000				2037	10,585,000			
2028	7,235,000				2038	11,085,000			
2029	7,580,000				2039	11,615,000			
2030	7,895,000				2040	12,175,000			
2031	8,210,000				2041	12,770,000			
2032	8,540,000				2042	13,400,000			

$482,445,000* General Obligation Refunding Bonds 2022C									
Maturing July 1,	Principal Amount*	Interest Rate	Yield	CUSIP[a] Suffix	Maturing July 1,	Principal Amount*	Interest Rate	Yield	CUSIP[a] Suffix
2023	$130,160,000	%	%		2028	$36,425,000	%	%	
2024	65,570,000				2029	38,325,000			
2025	31,445,000				2030	40,495,000			
2026	33,340,000				2031	42,685,000			
2027	34,900,000				2032	29,100,000			

[a] CUSIP® is a registered trademark of the American Bankers Association ("ABA"). The CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers are assigned by an independent company not affiliated with the State, the Commission, the Municipal Advisors, Bond Counsel, or Disclosure Counsel and are included solely for the convenience of the registered owners of the applicable Bonds. None of the aforementioned participants in the issuance of the Bonds or the Underwriters of the Bonds are responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the applicable Bonds or as included herein, or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part, that are applicable to all or a portion of certain maturities of the Bonds.

* Preliminary, subject to change

STATE OF GEORGIA

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BRIAN P. KEMP

Lieutenant Governor
GEOFF DUNCAN

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GEOFF DUNCAN - President of the Senate, Vice-Chair
DAVID RALSTON - Speaker of the House of Representatives
CHRISTOPHER M. CARR - Attorney General
GARY W. BLACK - Commissioner of Agriculture
STEVE McCOY - State Treasurer
GREG S. GRIFFIN - State Auditor, Secretary and Treasurer

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Construction Division
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Atlanta, Georgia

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No dealer, broker, salesperson or other person has been authorized by the Commission or the State to give any information or to make any representations, other than as contained in this Official Statement in connection with the issuance of the Bonds described herein and, if given or made, such information or representations must not be relied upon as having been authorized by the Commission or the State. This Official Statement does not constitute a contract between the Commission or the State and any one or more owners of the Bonds, nor does this Official Statement constitute an offer to sell the Bonds or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been furnished by the Commission or the State and by other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implications that there has been no change in the affairs of the State or any other parties described herein since the date hereof.

This Official Statement (including the Appendices attached hereto) contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement (including the Appendices attached hereto), the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. Forward looking statements speak only as of the date of this Official Statement. The Commission and the State disclaim any obligation or undertaking to update or release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the Commission's or the State's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

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INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

NEITHER THE STATE NOR THE COMMISSION (REFERRED TO IN THESE LEGENDS AS THE "ISSUER") MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION. REFERENCES UNDER THIS CAPTION TO "BONDS" OR "SECURITIES" MEAN THE 2022B BONDS OFFERED HEREBY. THESE LEGENDS ARE BEING PROVIDED SOLELY FOR THE CONVENIENCE OF THE UNDERWRITERS. COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION, AND/OR SALE OF THE BONDS IS THE RESPONSIBILITY OF THE UNDERWRITERS AND NEITHER THE STATE NOR THE COMMISSION SHALL HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. IN CONNECTION WITH OFFERS AND SALES OF THE BONDS, NO ACTION HAS BEEN TAKEN BY THE COMMISSION OR THE STATE THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS, OR POSSESSION OR DISTRIBUTION OF ANY INFORMATION RELATING TO THE PRICING OF THE BONDS, THE OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA")

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, AN "EEA RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE "EU PROSPECTUS REGULATION"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE EEA WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE EU PROSPECTUS REGULATION AND IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM ("UK")

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES A "UK RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) 2017/565 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE "EUWA"); OR (II) A CUSTOMER WITHIN THE MEANING OF PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE "FSMA") AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL

CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A "QUALIFIED INVESTOR" AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (THE "UK PROSPECTUS REGULATION"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (AS AMENDED, THE "UK PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE UK WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE UK PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

UK RESTRICTIONS ON SALES - THE BONDS MUST NOT BE OFFERED OR SOLD AND THIS OFFICIAL STATEMENT AND ANY OTHER DOCUMENT IN CONNECTION WITH THE OFFERING AND ISSUANCE OF THE BONDS MUST NOT BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN THE UK EXCEPT TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFY AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19 (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, (AS AMENDED, THE "ORDER") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A)-(D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN SUCH ORDER SUCH THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, "FSMA") DOES NOT APPLY TO THE ISSUER OR ARE PERSONS TO WHOM THIS OFFICIAL STATEMENT OR ANY OTHER SUCH DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS

THIS OFFICIAL STATEMENT DOES NOT COMPRISE A PROSPECTUS WITH REGARD TO THE ISSUER OR THE BONDS FOR THE PURPOSES OF THE EU PROSPECTUS REGULATION IN RESPECT OF THE EAA OR UNDER THE UK PROSPECTUS REGULATION IN RESPECT OF THE UK. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UK OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN (THE REPUBLIC OF CHINA)

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN (THE "FSC") PURSUANT TO APPLICABLE SECURITIES LAWS AND REGULATIONS OF TAIWAN AND THE BONDS, INCLUDING ANY COPY OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENTS RELATING TO THE BONDS, MAY NOT BE OFFERED, SOLD, DELIVERED OR DISTRIBUTED WITHIN TAIWAN (THE REPUBLIC OF CHINA) THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION WITH OR APPROVAL OF THE FSC. NO PERSON OR ENTITY IN TAIWAN (THE REPUBLIC OF CHINA) HAS BEEN AUTHORIZED TO OFFER, SELL, DISTRIBUTE, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING, SALE OR DISTRIBUTION OF THE BONDS UNLESS THE BONDS OFFERED OR SOLD TO QUALIFIED INVESTORS IN TAIWAN ARE

THROUGH TAIWAN LICENSED FINANCIAL INSTITUTIONS TO THE EXTENT PERMITTED UNDER RELEVANT TAIWAN LAWS OR REGULATIONS. TAIWAN INVESTORS WHO SUBSCRIBE AND PURCHASE THE BONDS SHALL COMPLY WITH ALL RELEVANT SECURITIES, TAX AND FOREIGN EXCHANGE LAWS AND REGULATIONS IN EFFECT IN TAIWAN.

NOTICE TO INVESTORS IN SWITZERLAND

THE BONDS MAY NOT BE PUBLICLY OFFERED IN SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE ("*SIX*") OR ON ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A PROSPECTUS OR A KEY INFORMATION DOCUMENT WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON FINANCIAL SERVICES ("*FINSA*") OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE SIX LISTING RULES OR THE LISTING RULES OF ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS OR THE OFFERING MAY BE PUBLICLY OFFERED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. ACCORDINGLY, THIS OFFICIAL STATEMENT MAY BE COMMUNICATED IN OR FROM SWITZERLAND TO A LIMITED NUMBER OF SELECTED INVESTORS ONLY.

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("FINMA").

THE BONDS DO NOT CONSTITUTE COLLECTIVE INVESTMENTS SCHEMES WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES ("CISA"). ACCORDINGLY, INVESTORS ARE EXPOSED TO THE DEFAULT RISK OF THE ISSUER AND DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE BONDS. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFERING CONTEMPLATED IN THIS OFFICIAL STATEMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32 OF THE LAWS OF HONG KONG) ("CWUMPO") OR WHICH DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) ("SFO"), OR (II) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE CWUMPO. NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" IN HONG KONG AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF IN JAPAN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER

PARAGRAPH 1, ARTICLE 4 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (NO. 25 OF 1948, AS AMENDED, THE "FIEA"). AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA ("QIIS"). A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

OTHER THAN THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF ABOVE OR PURSUANT TO OTHER EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN, NEITHER THE BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN,OR TO, OR FOR THE BENEFIT OF, ANY "RESIDENT" OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)) OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS ("NI 33-105"), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

SUMMARY STATEMENT

(Subject in all respects to more complete information herein this Official Statement.)

Issuer:	The State of Georgia ("State") acting by and through the Georgia State Financing and Investment Commission.
Offering:	$494,215,000* General Obligation Bonds 2022A $186,565,000* General Obligation Bonds 2022B (Federally Taxable) $482,445,000* General Obligation Refunding Bonds 2022C
Maturity:	The 2022A Bonds and the 2022B Bonds mature on each July 1, from July 1, 2023 through July 1, 2042. The 2022C Bonds mature on each July 1, from July 1, 2023* through July 1, 2032*. See the inside front cover herein for additional information.
Redemption:	See "DESCRIPTION OF THE BONDS – Redemption Provisions" herein.
Interest:	Interest on the Bonds is payable each January 1 and July 1, with the first interest payment due on January 1, 2023, until final payment, as further described in "DESCRIPTION OF THE BONDS" herein.
Dated Date:	Date of Initial Delivery.
Delivery Date:	On or about July 7, 2022*.
Purpose:	The proceeds from the sale of the 2022A Bonds and the 2022B Bonds, including net original issue premium, if any, will be used to provide funds for various capital outlay projects of the State, to make grants to various governmental entities for capital outlay projects, and to pay all or a portion of costs of issuance of the 2022A Bonds and the 2022B Bonds. See "PURPOSE OF THE 2022A BONDS AND THE 2022B BONDS" herein for details. The proceeds from the sale of the 2022C Bonds including net original issue premium, if any, will be used to provide funds to refund certain outstanding general obligation bonds of the State and to pay all or a portion of costs of issuance of the 2022C Bonds. See "PURPOSE OF THE 2022C BONDS – PLAN OF REFUNDING" herein for details.
Security:	General obligations of the State to which its full faith, credit, and taxing power are pledged.
Book-Entry Bonds:	The Bonds will be issued in fully registered form without interest coupons in denominations of $5,000 and integral multiples thereof. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York.
Redemption:	See "DESCRIPTION OF THE BONDS – Redemption Provisions" herein.
Bond Counsel:	Gray Pannell & Woodward LLP, Savannah and Atlanta, Georgia.
Disclosure Counsel:	Kutak Rock LLP, Atlanta, Georgia.
Co-Financial Advisors:	Public Resources Advisory Group, New York, New York and Terminus Municipal Advisors, LLC, Atlanta, Georgia.
Registrar/ Paying Agent:	The Bank of New York Mellon Trust Company, N.A.
Bond Ratings:	Credit ratings of the Bonds as of the date of issuance are as shown on the front cover of this Official Statement and are described more completely in "RATINGS" herein.

* Preliminary, subject to change

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****THROUGHOUT THIS PRELIMINARY OFFICIAL STATEMENT AND ALL EXHIBITS AND APPENDICES HERETO, A SINGLE ASTERISK INDICATES THAT THE INFORMATION IS PRELIMINARY AND SUBJECT TO CHANGE.***

$1,163,225,000*
State of Georgia

$494,215,000* General Obligation Bonds 2022A

$186,565,000* General Obligation Bonds 2022B (Federally Taxable)

$482,445,000* General Obligation Refunding Bonds 2022C

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to provide certain information concerning the State of Georgia (the "State") and the above referenced bonds comprised of: (i) State of Georgia General Obligation Bonds 2022A (the "2022A Bonds"), (ii) State of Georgia General Obligation Bonds 2022B (Federally Taxable) (the "2022B Bonds"), and (iii) State of Georgia General Obligation Refunding Bonds 2022C (the "2022C Bonds" and collectively with the 2022A Bonds and 2022B Bonds, the "Bonds.") The 2022A Bonds and 2022C Bonds collectively also are referred to herein as the "Tax-Exempt Bonds." The 2022B Bonds also are referred to herein as the "Taxable Bonds."

The Bonds are being issued by the Georgia State Financing and Investment Commission (the "Commission"), acting for and on behalf of the State, pursuant to the Constitution and laws of the State of Georgia and resolutions adopted by the Commission on April 11, 2022, as supplemented and amended on June 23, 2022* (together, the "Resolutions") and all actions taken by the Commission subsequent to such issuance also will be for and on behalf of the State. The Bonds will constitute debt of the State for which the full faith, credit, and taxing power of the State are pledged to the payment of the Bonds and the interest thereon. See "SECURITY FOR THE BONDS" herein. The proceeds from the sale of the 2022A Bonds and the 2022B Bonds, including net original issue premium, will be used to provide funds for various capital outlay projects of the State, to make grants to various governmental entities for capital outlay projects, and to pay all or a portion of costs of issuance of the 2022A Bonds and 2022B Bonds. See "PURPOSE OF THE 2022A BONDS AND THE 2022B BONDS" and "Exhibit 1" and "Exhibit 2" herein. The proceeds from the sale of the 2022C Bonds, including net original premium, will be used to provide funds to refund certain outstanding general obligation bonds of the State and to pay all or a portion of costs of issuance of the 2022C Bonds. See "PURPOSE OF THE 2022C BONDS – PLAN OF REFUNDING" herein.

The Bonds are authorized to be issued pursuant to powers granted to the Commission in Article VII, Section IV of the Constitution of the State of Georgia (the "State Constitution") and the Georgia State Financing and Investment Commission Act (Ga. Laws 1973, p. 750, et seq., as amended, codified at Official Code of Georgia Annotated ("O.C.G.A.") §50-17-20, et seq., referred to herein as the "Commission Act"). See "SECURITY FOR THE BONDS", "THE COMMISSION", and "APPENDIX A - DEBT AND REVENUE INFORMATION - DEBT INFORMATION" herein.

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Taxable Bonds is not excludable from gross income of the holders of the Taxable Bonds for federal income tax purposes. In the opinion of Bond Counsel, interest on the Tax-Exempt Bonds and Taxable Bonds is exempt from present State of Georgia income taxation. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "APPENDIX E," "APPENDIX F," and "APPENDIX G," herein for the forms of opinions Bond Counsel proposes to deliver in connection with the issuance of the 2022A Bonds, the 2022B Bonds, and the 2022C Bonds, respectively. For a more complete discussion of the tax status of the Bonds and certain other tax consequences relating to the Bonds, see "LEGAL AND TAX STATUS" herein.

The Bonds are offered when, as, and if issued, and subject to the approving legal opinions of Gray Pannell & Woodward LLP, Savannah and Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed on for the State by its Disclosure Counsel, Kutak Rock LLP, Atlanta, Georgia. See "LEGAL MATTERS" herein.

It is expected that the Bonds will be available for delivery in New York, New York, on or about July 7, 2022*, in book-entry form only, with actual bond certificates immobilized in the custody of The Depository Trust Company ("DTC"), New York, New York, a registered securities depository, or its agent.

This Official Statement speaks only as of its date and is subject to change. This Introduction and the Summary Statement presented above represent a brief description of the matters contained herein, and a full review should be made of the entire Official Statement, as well as the appendices hereto and any documents described or summarized herein. Requests for additional information with respect to this Official Statement (including the appendices attached hereto) or a copy of the Resolutions may be directed to Diana Pope, Director, Financing and Investment Division, Georgia State Financing and Investment Commission, 270 Washington Street, S.W., Suite 2140, Atlanta, Georgia 30334, telephone number (404) 463-5600.

DESCRIPTION OF THE BONDS

General

The Bonds will be dated the date of delivery.

Interest on the Bonds will be payable semiannually on January 1 and July 1 in each year (each an "Interest Payment Date"), commencing January 1, 2023, until final payment for the respective series of Bonds.

The Bonds will bear interest from the applicable Interest Payment Date next preceding their date of authentication to which interest has been paid at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of a 360-day year comprised of twelve 30-day months). Payment of the principal of and interest on the Bonds will be made by the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Bond Registrar and Paying Agent, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, and subsequently will be disbursed to DTC Participants and thereafter to beneficial owners thereof (the "Beneficial Owners") of the Bonds as described below. Should book-entry form be discontinued, interest on the Bonds will be payable by check or draft mailed by first-class mail on the Interest Payment Date to the owners thereof as shown on the books and records of the Bond Registrar on the 15th day of the calendar month next preceding the applicable Interest Payment Date and principal of the Bonds will be payable upon surrender thereof at the designated corporate trust office of the Paying Agent.

Redemption Provisions

Optional Redemption of the 2022A Bonds and 2022C Bonds

The 2022A Bonds maturing on or before July 1, 2032 will not be subject to optional redemption prior to their stated maturity. The 2022A Bonds maturing on or after July 1, 2033 will be subject to redemption prior to their respective maturity at the option of the Commission on and after July 1, 2032, in whole or in part at any time at a redemption price equal to the principal amount of the 2022A Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption.

The 2022C Bonds will not be subject to optional redemption prior to their stated maturity.

Optional Redemption of the 2022B Bonds

The 2022B Bonds will be subject to redemption on any Business Day prior to their stated maturity at the option of the Commission in whole or in part at any time, at a redemption price, which prior to July 1, 2032 shall equal the Make-Whole Redemption Price (as defined below) and on or after July 1, 2032 shall equal one hundred percent (100%) of the principal amount of the 2022B Bonds to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption.

The "Make-Whole Redemption Price" will be the greater of (a) Amortized Value (as defined below) of the 2022B Bonds (but not less than one hundred percent (100%) of the principal amount of such 2022B Bonds to be redeemed on the redemption date; or (b) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date on the 2022B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2022B Bonds are to be redeemed, discounted to the date on which the 2022B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below), plus (i) with respect to such 2022B Bonds maturing on July 1, 2023 and July 1, 2024*, zero (0)* basis points, (ii) with respect to such 2022B Bonds maturing on July 1, 2025* and July 1, 2026*, five (5)* basis points, (iii) with respect to such 2022B Bonds maturing on July 1, 2027* through July 1, 2032*, fifteen (15)* basis points, and (iv) with respect to such 2022B Bonds maturing on or after July 1, 2033*, thirty-five (35)* basis points; plus, in each case, accrued interest on the 2022B Bonds to be redeemed to the redemption date.

"Amortized Value" means, with respect to a 2022B Bond to be redeemed at a Make-Whole Redemption Price, the principal amount of the 2022B Bond to be redeemed, multiplied by the price of such 2022B Bond expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the redemption date, the maturity date of such 2022B Bond, an initial par call date of July 1, 2032*, and a yield equal to such 2022B Bond's original reoffering yield set forth on the inside cover page hereof.

"Treasury Rate" means, with respect to any redemption date for a particular 2022B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity as compiled and published in the Federal Reserve Statistical Release H.15 (the "Statistical Release") that has become publicly available at least two (2) business days, but not more than sixty (60) calendar days, prior to the redemption date (excluding inflation indexed securities), or, if such Statistical Release is no longer published, any publicly available source of similar market data most nearly equal to the period from the redemption date to the maturity date of the 2022B Bonds to be redeemed.

Redemption Notices - Selection of Bonds to be Redeemed

Upon receipt of notice from the Commission of its election to redeem any or all of the Bonds, the Paying Agent is to give notice of such redemption by mail to the holders of such Bonds to be redeemed not less than thirty (30) days or more than sixty (60) days prior to the date set for redemption. Failure by any holder to receive notice, or any defect in the notice to such holder, will not affect the redemption of any other Bond. The maturities of the Bonds to be redeemed will be determined by the Commission in its sole discretion.

If the Bonds are registered in book-entry only form, and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds of a maturity are called for redemption prior to maturity, the particular Bonds of such maturity, or portions thereof to be redeemed shall be selected for redemption on a pro rata pass-through distribution of principal basis among the registered owners of such maturity in accordance with DTC procedures, provided that so long as the Bonds are held in book-entry form the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Bonds will be selected for redemption in accordance with DTC procedures then in effect.

It is the Commission's intent that redemption allocations for the Bonds made by DTC be made on a pro rata pass-through distribution of principal basis as described above, however, the Commission cannot provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Bonds to be redeemed will be selected for redemption in accordance with DTC procedures then in effect. If the Bonds are not registered in book-entry only form any redemption of less than the entire outstanding amount of a maturity of the Bonds shall be allocated among the registered owners of such maturity of the Bonds on a pro-rata basis. See "DESCRIPTION OF THE BONDS - Book-Entry System" herein.

Registration, Exchange and Transfer

The Bonds will be issued only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof. The Commission and the Bond Registrar and Paying Agent may deem and treat the registered owner of a Bond as the absolute owner of such Bond for purposes of receiving payment of or on account of principal and interest payable thereon, and for other purposes; the Commission and the Bond Registrar and Paying Agent will not be affected by any notice to the contrary.

The Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of DTC. Beneficial Owners of the Bonds will not receive physical delivery of bond certificates. While in book-entry form, registration of exchanges and transfers of beneficial ownership interests in the Bonds will be effected in accordance with DTC practices and procedures described below.

Should book-entry form be discontinued at a future date, ownership of any Bond will be transferable upon surrender thereof to the Bond Registrar, together with an instrument of transfer assignment duly executed by the registered owner or its duly authorized agent, in such form satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Bond or Bonds registered in the name of the transferee in an authorized denomination in the same aggregate principal amount and interest rate as the Bonds surrendered for such transfer. The Bonds may be exchanged for a like principal amount of Bonds of the same interest rate of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Bonds.

Book-Entry System

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources believed to be reliable. No representation is made herein by the Commission as to the accuracy, completeness, or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.

DTC will act as securities depository for the Bonds when initially issued. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity in the aggregate principal amount of such maturity and will be deposited with DTC. Purchasers may own beneficial interests in the Bonds in the United States through DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents relating to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity, or maturities, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Commission and the Paying Agent. Under such circumstances, if a substitute or successor securities depository is not obtained, Bond certificates will be printed and delivered as provided in the Resolutions.

Should the Commission decide to discontinue use of the system of book-entry-only transfers through the DTC (or a successor securities depository), Bond certificates would be printed and delivered as provided in the Resolutions.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COMMISSION BELIEVES TO BE RELIABLE, BUT THE COMMISSION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE COMMISSION NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS, OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS, FOR: (i) SENDING TRANSACTION STATEMENTS; (ii) MAINTAINING,

SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (iii) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS, TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS, TO ANY BENEFICIAL OWNER, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS OR OWNERS OF THE BONDS; OR, (v) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE BONDS.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, reference herein to the registered owners of the Bonds (other than under the heading "LEGAL AND TAX STATUS - Tax Consequences of Owning the Bonds" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds.

Global Clearance Procedures

Euroclear and Clearstream. Euroclear and Clearstream have advised as follows:

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures

The 2022B Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such 2022B Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

Neither the Commission nor the State will impose any fees in respect of holding the 2022B Bonds; however, holders of book-entry interests in the 2022B Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the DTC, Euroclear and Clearstream.

Initial Settlement

Interests in the 2022B Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the 2022B Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the 2022B Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the 2022B Bonds against payment (value as on the date of delivery of the 2022B Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the 2022B Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the 2022B Bonds following confirmation of receipt of payment to Commission, on behalf of the State, on the date of delivery of the 2022B Bonds.

Secondary Market Trading

Secondary market trades in the 2022B Bonds will be settled by transfer of title to book- entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2022B Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the 2022B Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book- entry interests in the 2022B Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations

Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the 2022B Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the

United States. U.S. investors who wish to transfer their interests in the 2022B Bonds, or to receive or make a payment or delivery of 2022B Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

General

Neither Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the State nor any of its agents will have any responsibility for the performance by Euroclear or Clearstream or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

The information in this subsection concerning DTC, Euroclear and Clearstream has been obtained from sources that the State and the Underwriters believe to be reliable, but neither the State nor the Underwriters take any responsibility for the accuracy thereof or make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

SECURITY FOR THE BONDS

The Bonds are direct and general obligations of the State. The Bonds are issued by the Commission pursuant to powers granted to the Commission in Article VII, Section IV of the State Constitution and the Commission Act. "General Assembly" as used throughout this Official Statement means the General Assembly of the State of Georgia, which is the legislative branch of the State of Georgia. Article VII, Section IV, Paragraph VI of the State Constitution provides:

> The full faith, credit, and taxing power of the state are hereby pledged to the payment of all public debt incurred under this article and all such debt and the interest on the debt shall be exempt from taxation. Such debt may be validated by judicial proceedings in the manner provided by law. Such validation shall be incontestable and conclusive.

Article VII, Section IV, Paragraph III(a)(1) of the State Constitution provides:

> General obligation debt may not be incurred until legislation is enacted stating the purposes, in general or specific terms, for which such issue of debt is to be incurred, specifying the maximum principal amount of such issue and appropriating an amount at least sufficient to pay the highest annual debt service requirements for such issue. All such appropriations for debt service purposes shall not lapse for any reason and shall continue in effect until the debt for which such appropriation was authorized shall have been incurred, but the General Assembly may repeal any such appropriation at any time prior to the incurring of such debt. The General Assembly shall raise by taxation and appropriate each fiscal year, in addition to the sum necessary to make all payments required under contracts entitled to the protection of the second paragraph of Paragraph I(a), Section VI, Article IX of the Constitution of 1976, such amounts as are necessary to pay debt service requirements in such fiscal year on all general obligation debt.

Article VII, Section IV, Paragraph III(a)(2)(A) of the State Constitution provides:

> The General Assembly shall appropriate to a special trust fund to be designated "State of Georgia General Obligation Debt Sinking Fund" such amounts as are necessary to pay annual debt

> service requirements on all general obligation debt. The sinking fund shall be used solely for the retirement of general obligation debt payable from the fund. If for any reason the monies in the sinking fund are insufficient to make, when due, all payments required with respect to such general obligation debt, the first revenues thereafter received in the general fund of the state shall be set aside by the appropriate state fiscal officer to the extent necessary to cure the deficiency and shall be deposited by the fiscal officer into the sinking fund. The appropriate state fiscal officer may be required to set aside and apply such revenues at the suit of any holder of any general obligation debt incurred under this section.

Article VII, Section IV, Paragraph V of the State Constitution provides, in relevant part:

> The state may incur general obligation debt or guaranteed revenue debt to fund or refund any such debt or to fund or refund any obligations issued upon the security of contracts to which the provisions of the second paragraph of Paragraph I(a), Section VI, Article IX of the Constitution of 1976 are applicable. The issuance of any such debt for the purposes of said funding or refunding shall be subject to the 10 percent limitation in Paragraph II(b) of this section to the same extent as debt incurred under Paragraph I of this section; provided, however, in making such computation the annual debt service requirements and annual contract payments remaining on the debt or obligations being funded or refunded shall not be taken into account. The issuance of such debt may be accomplished by resolution of the Georgia State Financing and Investment Commission without any action on the part of the General Assembly and any appropriation made or required to be made with respect to the debt or obligation being funded or refunded shall immediately attach and inure to the benefit of the obligations to be issued in connection with such funding or refunding.

In compliance with the above provisions of the State Constitution, the General Assembly has appropriated to the State of Georgia General Obligation Debt Sinking Fund (the "Sinking Fund") amounts sufficient to pay the highest annual debt service requirements on all outstanding general obligation debt. There are no contracts currently outstanding which are entitled to the protection of the second paragraph of Paragraph I(a), Section VI, Article IX of the Constitution of 1976. See "APPENDIX A – DEBT AND REVENUE INFORMATION – DEBT INFORMATION" and "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2021." Throughout this Official Statement a State fiscal year beginning on July 1 in one calendar year and ending on June 30 of the subsequent calendar year (both on a historical and forward looking basis) generally will be referred to as FY [insert year of the June 30 ending date]; for example, FY 2023 for the State fiscal year beginning on July 1, 2022 and ending on June 30, 2023.)

AUTHORIZED INDEBTEDNESS

During its 2022 Regular Session, the General Assembly adopted House Bill ("H.B.") 911, the General Appropriations Act for FY 2023 ("FY 2023 Appropriations Act"), and the Governor approved the authorization of an aggregate principal amount of $938,935,000 of new general obligation debt in the FY 2023 budget, the proceeds of which are to be used for various planned capital projects of the State, its departments and agencies as well as grants to county and independent school systems and various government entities. Prior to the issuance of the Bonds, the aggregate amount of all authorized but unissued general obligation debt was $1,110,845,000*, which included the unissued authorizations from years prior to FY 2023 in an aggregate amount of $171,910,000. Upon the issuance of the Bonds, there will remain $357,095,000* of authorized but unissued general obligation debt. See "APPENDIX A – DEBT AND REVENUE INFORMATION – DEBT INFORMATION – Authorized Indebtedness."

During its 2021 Regular Session, the General Assembly adopted H.B. 81, the General Appropriations Act for FY 2022 (the "FY 2022 Appropriations Act") and during its 2022 Regular Session, the General Assembly adopted H.B. 910 which supplemented the FY 2022 Appropriations Act. (Throughout this Official Statement, supplemental general appropriations acts usually will be referred to as the "Amended Appropriations Act," or the "Amended Budget" for said fiscal year.) As part of the FY 2022 Appropriations Act, the General Assembly authorized the issuance of $567,000,000 Guaranteed Revenue Bonds by the State Road and Tollway Authority and included the necessary language regarding the General Assembly's determination that the bonds will be self-liquidating over the life of the issue (which determination shall be conclusive) and an appropriation of $38,800,000 to fund the required deposit(s) of the highest annual debt service into the special trust fund designated as the "State of Georgia Guaranteed Revenue Debt Common Reserve Fund". On July 1, 2021, the State Road and Tollway Authority issued $367,380,000 of the authorized Guaranteed Revenue Bonds; there currently remains $199,620,000 of authorized but unissued guaranteed revenue bonds. It currently is not anticipated that the unissued guaranteed revenue bonds will be issued prior to FY 2026, although an earlier issuance of some or all of the unissued amount of bonds could be the case. Authorizations of guaranteed revenue bonds and the appropriations for the deposit of maximum annual debt service into the common reserve fund do not lapse; however, the General Assembly can repeal any unissued authorization in whole or in part prior to the bonds being issued and re-appropriate any unutilized funds which had been appropriated for the purpose of being deposited into the common reserve fund for any other purpose as permitted by the Constitution and statutory law.

PURPOSE OF THE 2022A BONDS AND THE 2022B BONDS

The State Constitution provides that the State may incur two types of debt: (i) general obligation debt and (ii) guaranteed revenue debt. General obligation debt may be incurred to: acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions and certain State authorities; to provide educational facilities for county and independent school systems and to provide public library facilities for county and independent school systems, counties, municipalities, and boards of trustees of public libraries or boards of trustees of public library systems; and to make loans to counties, municipal corporations, political subdivisions, local authorities and other local government entities for water or sewerage facilities or systems or for regional or multijurisdictional solid waste recycling or solid waste facilities or systems. Guaranteed revenue debt may be incurred by guaranteeing the payment of certain revenue obligations issued by an instrumentality of the State as set forth in the State Constitution to finance certain specified public projects. There being no general obligation debt or guaranteed revenue debt scheduled to retire on or between the date of this Official Statement and prior to July 1, 2022, as of the date of this Official Statement the State will have general obligation debt outstanding in an aggregate principal amount of $9,794,165,000* and guaranteed revenue debt outstanding in an aggregate principal amount of $409,295,000*. See "APPENDIX A – DEBT AND REVENUE INFORMATION – DEBT INFORMATION."

The proceeds of the 2022A Bonds and the 2022B Bonds, including all or a portion of the net original issue premium, are expected to be used to fund all or portions of various authorizations from the general appropriations acts as shown in the table below in an aggregate amount of $753,750,000* (several of such appropriations are for the purpose of making a grant to various governmental entities for capital outlay projects) and to pay the costs of issuance of the 2022A Bonds and 2022B Bonds. The list of projects currently anticipated to be funded by the 2022A Bonds is included herein as Exhibit 1; the list of projects currently anticipated to be funded by the 2022B Bonds is included herein as Exhibit 2. The General Assembly, by subsequent action as part of a general or amended appropriations act, may repeal unissued general obligation bond authorizations or redirect unspent bond proceeds to a different capital project, or projects, of the State. The Commission, in the future, may approve the redirection of unspent bond proceeds to different capital projects within the same department or agency in accordance with its redirection policy.

GENERAL OBLIGATION BOND AUTHORIZATIONS FUNDED BY THE BONDS							
State Fiscal Year	General Appropriations Act			Amended Appropriations Act			Amount Funded This Issue^*
	H.B. #	Date Signed by Governor	Act #	H.B. #	Date Signed by Governor	Act #	
2016	76	May 11, 2015	198	750	February 17, 2016	312	$825,000
2018	44	May 1, 2017	37	683	March 9, 2018	286	1,150,000
2019	684	May 2, 2018	301	30	March 12, 2019	3	15,440,000
2020	31	May 10, 2019	319	792	March 17, 2020	326	465,000
2021	793	June 30, 2020	404	80	February 15, 2021	2	5,455,000
2022	81	May 10, 2021	305	910	March 16, 2022	566	13,980,000
2023	911	May 12, 2022	865	Not Applicable at this time.			716,435,000
Total Amount of Projects Funded by 2022A Bonds and 2022B Bonds							$753,750,000

^ Total project amount funded from proceeds of the Bonds, including net original issue premium.

The Commission Act provides that the Commission shall be responsible for the proper application of the proceeds of the 2022A Bonds and the 2022B Bonds to the purposes for which they are incurred and that the proceeds received from the sale of the 2022A Bonds and the 2022B Bonds shall be held in trust by the Commission and disbursed promptly by the Commission in accordance with the original purpose set forth in the authorization of the General Assembly and in accordance with policies and procedures established by the Commission.

Use of Premium on the 2022A Bonds and the 2022B Bonds

The State currently expects to use all or a portion of the net original issue premium generated from the sale of the 2022A Bonds to provide funds for all or a portion of various capital outlay projects of the State, to make grants to various governmental entities for capital outlay projects, and to pay all or a portion of costs of issuance of the 2022A Bonds.

The State currently expects to use all or a portion of the net original issue premium generated from the sale of the 2022B Bonds to provide funds for all or a portion of various capital outlay projects of the State and to pay all or a portion of the costs of issuance of the 2022B Bonds.

PURPOSE OF THE 2022C BONDS – PLAN OF REFUNDING

The 2022C Bonds are being issued to effect interest cost savings to the State. The State expects to use the proceeds of the 2022C Bonds, including all or a portion of the net original issue premium generated from the sale of the 2022C Bonds, to refund all or a portion of certain previously issued State of Georgia general obligation bonds and to pay all or a portion of the costs of issuance on the 2022C Bonds. Simultaneously with the issuance of the 2022C Bonds, the Commission will deposit or cause to be deposited a portion of the proceeds derived from the sale of the 2022C Bonds into a special fund (the "2022C Refunding Escrow Fund") created under the terms of the 2022C Refunding Escrow Agreement, dated as of July 1, 2022 (the "2022C Refunding Escrow Agreement"), by and between the Commission and The Bank of New York Mellon Trust Company, N.A., in its capacities as refunding escrow agent (the "2022C Refunding Escrow Agent"), and as paying agent and bond registrar for certain previously issued State of Georgia general obligation bonds (in such capacity, the "2022C Refunding Paying Agent"), providing for the terms of the refunding of all or portions of such previously issued bonds (the portions of such bonds are herein collectively referred to as the "2022C Refunded Bonds"). See "APPENDIX H" herein for details on the 2022C Refunded

Bonds. The Commission also has paid, or will cause to be paid, the fees of the 2022C Refunding Escrow Agent and the 2022C Refunding Paying Agent in accordance with each of their regular billing procedures.

The proceeds of the 2022C Bonds deposited into the 2022C Refunding Escrow Fund will be invested by the 2022C Refunding Escrow Agent in certain non-callable, general and direct obligations of the United States of America (the "2022C Refunding Escrow Obligations") and/or held as cash in the 2022C Refunding Escrow Fund, all as set forth in the 2022C Refunding Escrow Agreement. The 2022C Refunding Escrow Obligations shall mature and bear interest at such times and in such amounts which together with cash held in the 2022C Refunding Escrow Fund shall be at all times sufficient to pay the interest on the 2022C Refunded Bonds from the most recent date on which interest has been paid with respect to the 2022C Refunded Bonds to and including the applicable redemption date for any such 2022C Refunded Bonds, and to redeem any such 2022C Refunded Bonds on the applicable redemption date and at the applicable redemption price, plus interest accrued thereon to the applicable redemption date. Under the terms of the 2022C Refunding Escrow Agreement, the 2022C Refunding Paying Agent for the 2022C Refunded Bonds has agreed to give appropriate notice of the redemption of the 2022C Refunded Bonds, as required under the terms of the various resolutions authorizing the issuance thereof. Moneys in the 2022C Refunding Escrow Fund shall be held in trust and used by the 2022C Refunding Escrow Agent to pay such principal, interest, and redemption price with respect to the 2022C Refunded Bonds and will not be available for payment of debt service on the Bonds. Upon issuance of the 2022C Bonds and compliance with the requirements of the 2022C Refunding Escrow Agreement for the payment of all the 2022C Refunded Bonds, pursuant to Article VII, Section IV, Paragraph V of the State Constitution the annual debt service requirements of the 2022C Refunded Bonds shall not be included in any constitutional debt limitations.

The accuracy of the mathematical computations of the adequacy of the funds to be held in the 2022C Refunding Escrow Fund under the terms of the 2022C Refunding Escrow Agreement to pay when due the principal of, interest on, and redemption prices of the 2022C Refunded Bonds will be verified by ____. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS – 2022C BONDS" herein.

THE COMMISSION

The Commission is an agency and instrumentality of the State, and its members are the Governor, the President of the Senate, the Speaker of the House of Representatives, the State Auditor, the Attorney General, the State Treasurer, and the Commissioner of Agriculture.

The Commission is responsible for the issuance of all public debt of the State, including general obligation debt and guaranteed revenue debt. The Commission is further responsible for the proper application of the proceeds of such debt to the purposes for which it is incurred.

The Commission has two statutory divisions, a Financing and Investment Division and a Construction Division, each administered by a Director who reports directly to the Commission. The Financing and Investment Division performs all services relating to the issuance of public debt, the investment and accounting of all proceeds derived from the incurring of general obligation debt or such other amounts as may be appropriated to the Commission for capital outlay purposes, the management of other State debt, and all financial advisory matters pertaining thereto. The Construction Division is responsible for all construction and construction related matters resulting from the issuance of public debt or from any such other amounts as may be appropriated to the Commission for capital outlay purposes, except that in the case of bond proceeds for public road and bridge construction or reconstruction, the Commission contracts with the Department of Transportation or the Georgia Highway Authority for the supervision of and contracting for designing, planning, building, rebuilding, constructing, improving, operating, owning, maintaining, leasing and managing of public roads and bridges for which general obligation debt has been authorized. In all other cases when the Commission contracts with a State department, authority or agency for the acquisition or construction of projects, the projects are acquired and constructed under policies, standards and operating procedures established by the Commission. The Construction Division also is responsible for performing such construction-related services for State agencies and instrumentalities as may be assigned to the Commission by Executive Order of the Governor.

See "APPENDIX A – DEBT AND REVENUE INFORMATION" for information regarding, among other things, the State's appropriations and debt limitations, State revenues, authorized indebtedness, outstanding debt, State treasury receipts, assessed valuation and debt ratios, and analysis of State General Fund receipts and revenues. See "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2021" for information regarding, among other things, the budgetary processes, the accounting policies, the retirement systems, and the financial position of the State. See "APPENDIX C – STATISTICAL INFORMATION" for certain information regarding the economy and population of the State.

INVESTMENT OF STATE FUNDS

All funds within the State Treasury (which include proceeds of general obligation debt administered by the Commission) are invested in accordance with Georgia law and the investment policy established by the State Depository Board (the "Investment Policy"). The Investment Policy has four objectives and each portfolio is managed in a manner that is intended to: (1) preserve principal; (2) ensure adequate liquidity; (3) obtain a market rate of return taking cash flow requirements into consideration; and (4) diversify the portfolio. The Investment Policy also sets forth various credit constraints and limitations, as discussed more fully below.

Investment of General Obligation Debt Proceeds. The Commission Act provides that investment of proceeds of general obligation debt shall be limited to: (i) general obligations of the United States or of subsidiary corporations of the United States government fully guaranteed by such government; (ii) obligations issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, Federal Farm Credit Banks regulated by the Farm Credit Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association; (iii) tax exempt obligations issued by any state, county, municipal corporation, district, or political subdivision, or civil division or public instrumentality of any such government or unit of such government; (iv) prime bankers' acceptances; (v) units of any unit investment trusts the assets of which are exclusively invested in obligations of the type described above; or (vi) shares of any mutual fund the investments of which are limited to securities of the type described in clauses (i), (ii), (iii), and (iv) above and distributions from which are treated for federal income tax purposes in the same manner as the interest on such obligations, provided that at the time of investment such obligations or the obligations held by any such unit investment trust or the obligations held or to be acquired by any such mutual fund are limited to obligations which are rated within one of the top two rating categories of any nationally recognized rating service or any rating service recognized by the State Commissioner of Banking and Finance, and no others, or to securities lending transactions involving securities of the type described in this paragraph. Pursuant to Article VII, Section IV, Paragraph VII of the State Constitution, the Commission is responsible for the investment of the proceeds of general obligation debt and, as provided by law, including the Commission Act, is required to use the income earned on such proceeds to pay operating expenses of the Commission or to purchase and retire State debt. See "APPENDIX A – DEBT AND REVENUE INFORMATION – DEBT INFORMATION - Market Transactions to Retire Debt."

Investment of Sinking Fund Monies. Article VII, Section IV, Paragraph III(c) of the State Constitution and the Commission Act provide that (i) funds in the Sinking Fund be as fully invested as is practicable, consistent with the requirements to make current principal and interest payments and (ii) any Sinking Fund investments shall be restricted to obligations constituting direct and general obligations of the United States government or obligations unconditionally guaranteed as to the payment of principal and interest by the United States government, maturing no longer than 12 months from date of purchase.

Investment of State General Funds. Under Georgia law the State may invest its general fund monies in: (i) bankers' acceptances; (ii) commercial paper; (iii) bonds, bills, certificates of indebtedness, notes, or other obligations of the United States and its subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government including, but not limited to, obligations or securities issued or guaranteed by Banks for Cooperatives regulated by the Farm Credit Administration, the Commodity Credit Corporation, Farm Credit Banks regulated by the Farm Credit Administration, Federal Assets Financing Trusts, the Federal Financing Bank, Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financial Assistance Corporation chartered by the Farm Credit Administration, the Government National Mortgage Association, the Import-Export Bank, Production Credit Associations regulated by the Farm Credit Administration, the Resolution Trust Corporation, and the Tennessee Valley Authority; (iv) obligations of corporations organized under the laws of Georgia or any other state but only if the corporation has a market capitalization equivalent of at least $100 million; provided, however, that such obligation shall be listed as investment grade by a nationally recognized rating agency; (v) bonds, notes, warrants, and other securities not in default which are the direct obligations of the government of any foreign country which the International Monetary Fund lists as an industrialized country and for which the full faith and credit of such government has been pledged for the payment of principal and interest, provided that such securities are listed as investment grade by a nationally recognized rating agency; or (vi) obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development or the International Financial Corporation, provided that such securities are listed as investment grade by a nationally recognized rating agency and are fully negotiable and transferable; or (vii) shares of any mutual fund the investments of which are limited to securities of the type described above and distributions from which are treated for federal income tax purposes in the same manner as the interest on such obligations, provided that at the time of investment such obligations or the obligations held by any such unit investment trust or the obligations held or to be acquired by any such mutual fund are limited to obligations which are rated within one of the top two rating categories of any nationally recognized rating service or any rating service recognized by the State Commissioner of Banking and Finance, and no others. The State Depository Board also may permit the lending of any securities of the type identified in this paragraph.

Georgia law also provides that the State may invest in the securities described above by selling and purchasing such obligations under agreements to resell or repurchase the obligations at a date certain in the future at a specific price which reflects a premium over the purchase or selling price equivalent to a stated rate of interest ("Repurchase Agreements").

Because of the credit constraints and limitations contained in the Investment Policy established by the State Depository Board, the State currently is authorized to invest the monies on deposit in its general fund in: direct obligations of the United States Treasury; obligations unconditionally guaranteed by agencies of the United States government; obligations of subsidiary corporations and instrumentalities or entities sanctioned or authorized by the United States government; and other permitted investments subject to certain criteria established by statute and the State Depository Board which include, among other things, credit and diversification requirements. Such other permitted investments currently include: repurchase agreements, certificates of deposit, commercial paper, bank deposits held for investment purposes, prime bankers' acceptances, obligations of the State or state agencies, obligations of other political subdivisions of the State, obligations of corporations, eligible mutual funds, obligations issued by the government of any foreign country, obligations issued by the International Bank for Reconstruction and Development or the International

Financial Corporation, and other such limitations as determined by the State Treasurer to be necessary for the preservation of principal, liquidity, or marketability of any of the portfolios.

Other State Treasury Investments. The Office of the State Treasurer ("OST") manages the Local Government Investment Pool Trust ("LGIP") currently comprised of four LGIP Offerings: Georgia Fund 1 ("GF1"), Georgia Fund 1Plus ("GF1+"), Georgia Extended Asset Pool (GEAP"), and Georgia Extended Asset Pool Plus ("GEAP+"). The LGIP is administered in accordance to the LGIP Trust Policy approved by the State Depository Board. The LGIP Trust Policy allows commingling local government monies with State operating funds and State agencies' funds. GF1 is managed to maintain a constant net asset value ("NAV") of $1.00. GF1 carries Fitch ratings of AAAf for fund credit quality and S1 for market risk sensitivity. GF1+ also is managed to maintain a constant NAV of $1.00. GEAP and GEAP+ offer a series of fixed income target maturity funds with emphasis on principal preservation. OST also manages investment portfolios for the Commission, the Department of Administration Services Risk Management Fund, and the Guaranteed Revenue Debt Common Reserve.

LEGAL AND TAX STATUS

Legality for Investments

The Commission Act provides that the Bonds are securities in which all public officers and bodies of the State and all municipalities and all municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, saving banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries and all other persons whatsoever who are authorized to invest in bonds or other obligations of the State may properly and legally invest funds, including capital, in their control or belonging to them. The Commission Act further provides that the Bonds are securities which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and municipal subdivisions for any purpose for which the deposit of the Bonds or other obligations of the State may be authorized.

Tax Consequences of Owning the Bonds

The Tax-Exempt Bonds

Federal Tax Exemption. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

State Tax Exemption. In the opinion of Bond Counsel, interest on the Tax-Exempt Bonds is exempt from present State of Georgia income taxation.

Maintenance of Tax Status. The Code and the regulations promulgated thereunder contain a number of restrictions, conditions, and requirements that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the

Tax-Exempt Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds. The Issuer has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the Issuer complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Tax-Exempt Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds.

Current and legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the Tax-Exempt Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals also may affect the market price for or marketability of the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives, or litigation.

The opinions expressed by Bond Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Tax-Exempt Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the treatment of the Tax-Exempt Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the beneficial owners of the Tax-Exempt Bonds regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners) other than the Issuer and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the Issuer or the beneficial owners of the Tax-Exempt Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the Issuer and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Tax-Exempt Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed forms of opinion of Bond Counsel relating to the Tax-Exempt Bonds attached hereto in APPENDIX E and APPENDIX G for the complete texts thereof. See also "LEGAL MATTERS" herein.

Premium Bonds. Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the "Tax-Exempt Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Tax-Exempt Premium Bonds, the interest on which is excludable from gross income. However, the purchaser's basis in a Tax-Exempt Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchase during each year. Proceeds received from the sale, exchange, redemption, or payment of a Tax-Exempt Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Tax-Exempt Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Tax-Exempt Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Tax-Exempt Premium Bond at its maturity.

Other Tax Consequences. Prospective purchasers of the Tax-Exempt Bonds should be aware that ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers depending upon their status and income. Prospective purchasers of the Tax-Exempt Bonds should consult independent advisors as to the consequences of owning the Tax-Exempt Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

Information Reporting and Backup Withholding. Interest paid on the Tax-Exempt Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Tax-Exempt Bonds, under certain circumstances, to "backup withholding" at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Tax-Exempt Bonds and proceeds from the sale of the Tax-Exempt Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Tax-Exempt Bonds. This backup withholding generally applies if the owner of Tax-Exempt Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Tax-Exempt Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

Disposition of the Tax-Exempt Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Tax-Exempt Bond may result in a taxable event for federal income tax purposes.

The Taxable Bonds

The following general discussion sets forth certain of the anticipated federal income tax consequences from the purchase, ownership, or disposition of the Taxable Bonds. This summary and the opinions referred to below are based upon the Code, including regulations, rulings, and decisions now in effect, all of which are subject to change. The discussion below does not purport to address all aspects of federal taxation that may be relevant to particular investors in light of their individual circumstances, or to certain types of investors subject to special treatment under the federal income tax laws. Furthermore, there can be no assurance that contrary positions to those positions expressed below will not be taken by the Internal Revenue Service.

A prospective purchaser of the Taxable Bonds or other taxpayer should seek advice from an independent tax advisor which is based on the taxpayer's particular circumstances. Prospective purchasers are advised to consult their own tax advisors regarding both the federal income tax consequences from the purchase, ownership, or disposition of the Taxable Bonds and any tax consequences arising under the laws of any state or other taxing jurisdiction.

Federal Income Taxation. Interest earned on the Taxable Bonds is not excludable from gross income of the holders of the Taxable Bonds for federal income tax purposes.

State Income Tax Exemption. In the opinion of Bond Counsel, interest on the Taxable Bonds is exempt from present State of Georgia income taxation.

Reference is made to the proposed form of opinion of Bond Counsel relating to the Taxable Bonds attached hereto as APPENDIX F for the complete text thereof.

Original Issue Premium. Certain Taxable Bonds have been sold to the public at an original issue premium (collectively, the "Taxable Premium Bonds"). Section 171 of the Code provides rules under which a premium paid for a Taxable Premium Bond may be amortized. Those rules permit the interest paid on a Taxable Premium Bond that would otherwise be included in the bondholder's gross income for federal income tax purposes to be reduced by the amount of the amortizable bond premium for the taxable year. Each holder of a Taxable Premium Bond may elect whether to amortize the original issue premium paid by it for federal income tax purposes. An election to amortize the original issue premium shall apply to all Taxable Premium Bonds held by the bondholder at the beginning of the first taxable year to which the election applies or thereafter acquired by the bondholder and would be irrevocable without the consent of the Internal Revenue Service. If an election to amortize the original issue premium is made, § 1016(a)(5) of the Code generally requires a reduction of the bondholder's basis in a Taxable Premium Bond held by it by the amount of the amortizable bond premium applied to reduce the interest income received on such Taxable Premium Bond. Proceeds received from the sale, exchange, redemption, or payment of a Taxable Premium Bond in excess of the bondholder's adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Taxable Premium Bond and not as interest.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Taxable Premium Bonds should consult their own tax advisors in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering Taxable Premium Bonds at their maturity.

Tax Treatment of Foreign Investors. Under §§ 871 and 881 of the Code, interest income with respect to the Taxable Bonds held by non-resident alien individuals, foreign corporations, or other non-United States persons ("Non-Residents") may be subject to a thirty percent (30%) United States withholding tax unless that tax is reduced or eliminated pursuant to an applicable tax treaty. That withholding tax generally will not be imposed if the paying agent (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement identifying the beneficial owner of the Taxable Bonds and stating, among other things, that the beneficial owner is a Non-Resident. The withholding tax also will not apply if interest on the Taxable Bonds is effectively connected with a United States business conducted by the Non-Resident. Foreign investors should consult an independent tax advisor regarding potential imposition of the thirty percent (30%) withholding tax.

Backup Withholding. The Code subjects certain non-corporate owners of Taxable Bonds, under certain circumstances, to "backup withholding" at the fourth lowest rate applicable to unmarried individuals with respect to interest payments on the Taxable Bonds and proceeds from the sale of Taxable Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Taxable Bonds. This withholding generally applies if the owner of Taxable Bonds (i) fails to furnish the paying agent (or other person who would otherwise be required to withhold tax from such payments) such owner's social security number or other TIN, (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Taxable Bonds also may wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

Disposition of the Taxable Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Taxable Bond may result in a taxable event for federal income tax purposes.

Defeasance. Defeasance of any Taxable Bond may result in a deemed reissuance thereof for federal income tax purposes, which may be a taxable event for federal income tax purposes.

VALIDATION

As required by and in accordance with the procedures of the Commission Act, the Bonds were validated by order of the Superior Court of Fulton County on May 17, 2022. Under the laws of the State of Georgia, the judgment of validation is final and conclusive with respect to the Bonds and the security therefor.

RATINGS

Moody's Investors Service, Inc. ("Moody's), S&P Global Ratings ("S&P"), a division of Standard & Poor's Financial Services LLC, and Fitch Ratings ("Fitch") have assigned the Bonds ratings of "Aaa," "AAA," and "AAA," respectively. The ratings reflect only the view of the respective rating agency as of the date of delivery of the Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing it. Generally, rating agencies base their ratings on information and materials furnished to the agencies and on investigations, studies, and assumptions by the rating agencies. There is no assurance that any rating will remain in effect, or that any rating will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such change or withdrawal of a rating could have an adverse effect on the market price of the Bonds. Except as described under "CONTINUING DISCLOSURE" herein, neither the Commission nor the Underwriters have undertaken any responsibility either to bring to the attention of the holders of the Bonds any proposed revision, suspension or withdrawal of a rating or to oppose any such revision, suspension or withdrawal.

SALE AT COMPETITIVE BIDDING - UNDERWRITING

The Bonds will be awarded pursuant to several electronic competitive bidding processes on June 22, 2022* and final Commission action on June 23, 2022*, unless such dates are postponed or changed as described in the respective notices of sale contained in APPENDIX I (Tax-Exempt Bonds) and APPENDIX J (Taxable Bonds) to this Preliminary Official Statement. This Preliminary Official Statement has been deemed final as of its date by the Commission in accordance with the meaning and requirements of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), except for the omission of certain pricing and other information permitted to be omitted pursuant to Rule 15c2-12. After the Bonds have been awarded, the Commission will complete the Official Statement so as to be a "final official statement" within the meaning of Rule 15c2-12 (the "Final Official Statement"). The Final Official Statement will include, among other things, the identity of the winning bidder(s) and the manager(s) of the syndicate(s), if any, submitting the winning bid(s), the expected selling compensation to underwriter(s) of the Bonds, and other information as to the interest rates and offering prices or yields of the Bonds, as supplied by the winning bidder(s).

VERIFICATION OF MATHEMATICAL COMPUTATIONS – 2022C BONDS

The accuracy of, among other things, (i) the mathematical computations of the adequacy of the funds to be held in the 2022C Refunding Escrow Fund under the terms of the 2022C Refunding Escrow Agreement to pay when due the principal of, interest on, and redemption price of the 2022C Refunded Bonds and (ii) certain mathematical computations supporting the conclusion that the 2022C Refunded Bonds and the 2022C Bonds are not "arbitrage bonds" under the Code will be verified by ___________, a provider of mathematical verification and arbitrage rebate services, (the "Verification Agent"). Such verification shall be based upon certain information supplied by the Commission. See "PURPOSE OF THE 2022C BONDS – PLAN OF REFUNDING" and "LEGAL AND TAX STATUS – Tax Consequences of Owning the Bonds" herein.

LEGAL MATTERS

Legal matters incident to the validity of the Bonds are subject to the approving opinions of Gray Pannell & Woodward LLP, Savannah and Atlanta, Georgia, Bond Counsel. Bond Counsel has not been engaged to express any opinion with respect to the accuracy, completeness, or sufficiency of any offering documents used in connection with the offering or sale of the Bonds. A copy of the proposed text of the opinions of Bond Counsel for the Bonds are set forth in APPENDIX E, APPENDIX F, and APPENDIX G. A signed copy of such opinions for the Bonds dated and speaking only as of the date of original delivery of the Bonds will be available at the time of original delivery of the Bonds. See "LEGAL AND TAX STATUS" herein. Certain legal matters will be passed on for the State by its Disclosure Counsel, Kutak Rock LLP, Atlanta, Georgia.

ABSENCE OF CERTAIN LITIGATION

The Commission and the State, like other similar entities, are each subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Commission, after reviewing the current status of all pending and threatened litigation with its counsel, the Department of Law of the State, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims pending or threatened against the Commission or its officials in such capacity are adequately covered by insurance or self-insurance reserves maintained by the Commission or will not have a material adverse effect upon the financial position or results of operations of the Commission. The

Commission, after reviewing the current status of all pending and threatened litigation with the State's counsel, the Department of Law of the State, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims pending or threatened against the State or its officials in such capacity are adequately covered by insurance or self-insurance reserves maintained by the State or will not have a material adverse effect upon the financial position or results of operations of the State. See "APPENDIX A – DEBT AND REVENUE INFORMATION – SIGNIFICANT CONTINGENT LIABILITIES" and "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2021 – Notes to the Financial Statements – Note 20: Litigation, Contingencies and Commitments."

To the knowledge of the Commission, there is no controversy or litigation pending or threatened seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the pledge by the State of the full faith, credit and taxing power of the State to the payment of the Bonds, or the organization or powers of the Commission, including the power to issue general obligation debt on behalf of the State and to pledge the full faith, credit and taxing power of the State to the payment thereof. The State is a party to certain litigation from time to time, which the Commission believes will not have a material adverse effect upon the ability of the Commission to issue, sell, execute and deliver the Bonds and pledge the full faith, credit, and taxing power of the State to the payment thereof.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the Chairman and Secretary of the Commission will furnish a certificate to the effect that, to the best of their knowledge, the Final Official Statement does not, as of the Date of Delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Final Official Statement is to be used or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

FINANCIAL STATEMENTS

The Annual Comprehensive Financial Report of the State as of and for the State Fiscal Year ended June 30, 2021, included herein as APPENDIX B, was prepared by the State Accounting Office and audited by the Department of Audits and Accounts. The auditors have issued a disclaimer of opinion on the Unemployment Compensation Fund based on the State being unable to provide sufficient audit evidence for the balances and financial activity of the receivables and payables of the Unemployment Insurance Fund. Unmodified opinions were issued on the remainder of the State's basic financial statements included in the State of Georgia's Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021. With the exceptions as noted above, according to the Independent Auditor's Report, the financial statements of governmental activities, business-type activities, each major fund, aggregate discretely presented component units, and aggregate remaining funds are fairly presented in conformity with accounting principles generally accepted in the United States of America.

CORONAVIRUS (COVID-19) DISCLOSURE

On March 14, 2020, the Governor issued Executive Order No. 03.14.20.01, declaring that a "Public Health State of Emergency" existed in the State due to the spread of COVID-19. On March 16, 2020, the

State's General Assembly concurred with the Governor's Executive Order by joint resolution of both the State House and State Senate, vesting the Governor with certain emergency powers prescribed by Georgia law for management of a state of emergency. Since the initial Executive Order establishing the Public Health State of Emergency, the Governor has issued several additional Executive Orders to continue to address the State's response to COVID-19 and for gradually and safely reopening the State's economy. The final Public Health State of Emergency Executive Order expired on July 1, 2021. On June 30, 2021, the Governor issued an Executive Order declaring a State of Emergency for Continued COVID-19 Economic Recovery to provide for certain regulatory suspensions as a result of the impact of the pandemic on the economy, supply chain, and healthcare infrastructure. This Executive Order was renewed monthly until its expiration on April 15, 2022. On April 14, 2022, the Governor issued an Executive Order declaring a State of Emergency for Supply Chain Disruptions to allow continued suspension of certain regulations governing motor carriers and commercial vehicles to facilitate the transportation of goods through the state; this Executive Order was renewed on May 10, 2022 and May 26, 2022 and is set to expire on July 14, 2022.

Over the last two years, various actions have been taken by the State, as well as federal and local governments and agencies, to provide relief to negatively impacted residents and businesses, including expanded availability of unemployment benefits, business loan programs, eviction moratoria, and tax payment deadline extensions, among others. Congress has passed several relief packages, including the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), the Families First Coronavirus Response Act and, most recently, the American Rescue Plan of 2021 (the "ARP Act") which have provided substantial direct financial aid to the State and local governments in Georgia.

During FY 2020, the State received approximately $3.5 billion in direct aid under Title V of the CARES Act, which established the Coronavirus Relief Fund ("CRF"). The period for incurring eligible expenses expired December 31, 2021. The funds have been fully obligated and the State does not anticipate remitting any funds back to the United States Department of Treasury. The CRF funds have been used as follows:

- $1.800 billion to repay borrowing for the Unemployment Compensation Fund,
- $642 million for surge medical staff augmentation for nursing homes and hospitals,
- $363 million of CRF funds to local governments for COVID-19 relief,
- $337 million for personal protective equipment, testing initiatives, and alternative care and quarantine sites,
- $105 million for public safety payroll expenses with another approximately,
- $85 million for State Health Benefit Plan COVID-19 medical expenses,
- $65 million allocated for nursing homes and long-term care facilities for COVID-19 testing, and
- $50 million for other state agency response costs.

The CARES Act also provided approximately $457 million from the Elementary and Secondary School Emergency Relief Fund ("ESSER"), $406 million from the Higher Education Emergency Relief Fund ("HEER"), and $105 million for the Governor's Emergency Education Relief Fund. The State disbursed 90 percent (90%) of ESSER funds directly to local education authorities by formula based on FY 2019 Title I, Part A allocations as required by the federal government. The U.S. Department of Education disbursed HEER funds directly to institutions of higher education which were required to utilize at least 50 percent (50%) of funds to provide Emergency Financial Aid Grants to students.

The ARP Act provided approximately $4.7 billion through the State Fiscal Recovery Fund ("SFRF"), $3.5 billion for the Local Fiscal Recovery Fund ("LFRF") (the majority of LFRF funding will go directly to local governments), $4.2 billion in additional ESSER funds, and $1.5 billion in additional HEER funds. In May 2021, the State received $2.4 billion of SFRF funds and $439 million of LFRF funds for non-entitlement units of local governments (i.e., local government units not entitled by law to receive such funds directly).

The State is a custodian only of the funds for non-entitlement units and has disbursed all funds to recipient local governments. $1.8 billion of the SFRF funds have been allocated as shown below, to be expended not later than December 31, 2026; approximately $0.6 billion of SFRF funds are to be allocated.

- $408 million for broadband infrastructure,
- $468 million for water and sewer infrastructure,
- $325 million for negative economic impact projects,
- $273 million for COVID-19 mitigation and testing needs in hospitals or congregate living facilities,
- $125 million for court systems to address the judicial backlog resulting from the COVID-19 pandemic,
- $100 million for healthcare staffing augmentation, and
- $100 million to provide a $1,000 pay supplement to public safety officials and first responders to offset costs incurred due to the COVID-19 pandemic.

The State received approximately $2.427 billion of additional SFRF funding on June 3, 2022 and no additional funding is expected from this source. On June 6, 2022, approximately $431 million of additional LFRF funding was received and no additional funding is expected from this source. The State currently continues to benefit from additional funding through the Federal Medical Assistance Percentage ("FMAP") first authorized by the Families First Coronavirus Relief Act, which temporarily increased the Medicaid reimbursement rate to the State by 6.2% over the standard FMAP rate for any quarter in which there is a federally dedicated public health emergency. The State has received the enhanced reimbursement since the first quarter of calendar 2020. The federal public health emergency will expire in July 2022 unless extended further.

Additional public health data and other information related to the State's response to COVID-19 is available on the following website: https://dph.georgia.gov. This website is provided for convenience only and is not incorporated by reference into this Official Statement.

Additional information on the State's response to COVID-19 is available through the Governor's Office of Planning and Budget on the following website: https://opb.georgia.gov/covid-response. This website is provided for convenience only and is not incorporated by reference into this Official Statement.

For more detailed information about the effects of COVID-19 on the State beginning with FY 2020 through the date of this Preliminary Official Statement, including State revenue and expense impacts, see APPENDIX A hereto. In addition, APPENDIX A contains more detailed information about the State's FY 2022 and FY 2023 budgets as approved by the General Assembly and signed into law by the Governor. Developments relating to COVID-19 continue to occur rapidly. The duration and severity of COVID-19, and its ongoing impact on the State, is unknown and will continue to evolve.

CONTINUING DISCLOSURE

The State has covenanted for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the State (the "Annual Report") by not later than twelve (12) months after the end of each fiscal year, commencing with the fiscal year ended June 30, 2022, and to provide notice of the occurrence of certain events (the "Listed Events"). The Annual Report and any notices of Listed Events will be filed by the State with the centralized information repository developed and operated by the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access ("EMMA") System in an electronic format as prescribed by the MSRB and with any similar repositories established by the State (if any). The specific nature of the information to be contained in the Annual Report and a description of the Listed Events is provided in "APPENDIX D – CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12.

FORWARD LOOKING STATEMENTS

Any statements made in this Official Statement, including in the Appendices, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, are forward looking statements. Readers should not place undue reliance on forward looking statements. All forward looking statements included in this Official Statement are based on information available on the date hereof and the State does not assume any obligation to update any such forward looking statements. It is important to note that the actual results could differ materially from those in such forward looking statements. The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the State. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

MISCELLANEOUS

The references herein to the Bonds and the Resolutions are brief outlines of certain provisions thereof. Such outlines do not purport to be complete. For full and complete statements of such provisions, reference is made to the Bonds and the Resolutions. A copy of each Resolution is on file in the offices of the Commission and following the delivery of the Bonds will be on file at the designated corporate trust office of the Paying Agent.

The agreement of the Commission with the holders of the Bonds is fully set forth in the Bonds and the Resolutions, and neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement by the Commission with the purchasers of the Bonds.

The attached Appendices are integral parts of this Official Statement and should be read together with all of the foregoing statements. All estimates and other statements in this Official Statement, including the Appendices attached hereto, involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

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The execution and distribution of this Official Statement has been approved in connection with the public offering of the Bonds.

/s/__________________
Secretary and Treasurer
Georgia State Financing and Investment Commission

EXHIBIT 1

Information in the following table represents the project descriptions during the legislative process for the fiscal year general appropriations acts. Amounts and projects are preliminary and subject to change. In addition, in the future, 2022A Bond proceeds may be spent on other projects if approved through the Commission's redirection process or if redirected by the General Assembly in a subsequent general appropriations act.

Policy Area / **Purpose/Agency** / **Fiscal Year Appropriations / Project Description**		**2022A Amount***
Educated Georgia		
Grants to K-12 Public Schools		
FY 2016	K-12 Capital Outlay Program	$ 825,000
FY 2018	K-12 Capital Outlay Program	1,150,000
FY 2019	K-12 Capital Outlay Program	15,440,000
FY 2020	K-12 Capital Outlay Program	465,000
FY 2021	K-12 Capital Outlay Program	5,455,000
FY 2022	K-12 Capital Outlay Program	12,980,000
FY 2023	K-12 Capital Outlay Program	116,000,000
FY 2023	Career and technical education equipment, statewide	5,230,000
Grants to Public Library Systems		
FY 2023	Renovations and expansion of the Southside Library, South Georgia Regional Library System	900,000
FY 2023	Renovations of the Oconee County Library, Athens Regional System	900,000
FY 2023	Renovations of the McDonough Public Library, Henry County Library System	900,000
FY 2023	Renovations of the Mary Vinson Memorial Library, Middle Georgia Regional Library System	950,000
FY 2023	Renovations and expansion of the Riverdale Brach, Clayton County Library System	1,400,000
FY 2023	Construction of the East Side Branch Library, Athens Regional Library System	2,000,000
FY 2023	Addition to the Richmond Hill Library, Statesboro Regional System	2,000,000
FY 2023	Major repairs and renovations, Georgia Public Library System, statewide.	2,000,000
University System of Georgia		
FY 2023	Design of Bywaters, Founders, and Lyons buildings renovations, Fort Valley State University	2,100,000
FY 2023	Aviation equipment, Middle Georgia State University	3,530,000
FY 2023	Renovations of Farbar Hall, Valdosta State University	2,000,000
FY 2023	Renovations of the Science Center Lab, Georgia Southern University - Armstrong Campus	2,800,000
FY 2023	Design and construction of Campus Infrastructure Phase II, Clayton State University	3,000,000
FY 2023	Renovations to Lorberbaum Hall, Dalton State College	4,100,000
FY 2023	Renovations of Peterson Hall, South Georgia State College	5,000,000
FY 2023	Renovation of the F Building renovation, Albany State University	5,000,000
FY 2023	Design and construction of new Physical Plant, Savannah State University	7,500,000
FY 2023	Construction of Cumming Academic Building addition, University of North Georgia	11,500,000
FY 2023	Land acquisition and construction of the Blue Ridge Campus Expansion, University of North Georgia	13,000,000
FY 2023	Construction of the Gateway Building and Infrastructure, Georgia Gwinnett College	28,800,000
FY 2023	Renovations and expansion of Wilder Hall, Georgia Military College	6,300,000
	Total Educated Georgia	***263,225,000***
Healthy Georgia		
Department of Veterans Service		
FY 2023	Design and construction of Phase Four of the Georgia Veterans Memorial Cemetery	510,000
FY 2023	Renovations to improve compliance with the Americans with Disabilities Act, multiple locations	2,510,000
	Total Healthy Georgia	***3,020,000***

(Table continued on following page)

Policy Area **Purpose/Agency** **Fiscal Year Appropriations / Project Description**		**2022A Amount***
Safe Georgia		
Georgia Building Authority		
FY 2023	Property acquisition, design, construction, and equipment for state prison facility transformation project	$ 167,650,000
Department of Community Supervision		
FY 2023	Property acquisition of a Day Reporting Center facility in Savannah	4,715,000
Department of Defense		
FY 2023	Major repairs, maintenance and sustainment, statewide	4,000,000
FY 2023	Site improvements and renovation of readiness centers at various locations	12,000,000
Department of Juvenile Justice		
FY 2023	Facility maintenance and repairs, statewide	900,000
FY 2023	Construction of a new academic building, Augusta YDC	13,800,000
Georgia Bureau of Investigation		
FY 2023	Design of the new GBI Headquarters Medical Examiner Office Building and Morgue Extension	1,400,000
FY 2023	Construction and equipment for Region 1 Calhoun Investigative Office and Special Operations Garage	7,240,000
	Total Safe Georgia	***211,705,000***
Responsible and Efficient Government		
Department of Drivers Services		
FY 2023	Construction of a new Customer Service Center (CSC)	4,000,000
Georgia Building Authority		
FY 2023	Renovation of the existing Judicial Building	30,975,000
Georgia State Financing and Investment Commission		
FY 2023	Americans with Disabilities Act related improvements, statewide	2,060,000
	Total Responsible and Efficient Government	***37,035,000***
Growing Georgia		
Department of Natural Resources		
FY 2023	Construction for law enforcement boating operations, statewide	950,000
FY 2023	Facilities repair and sustainment, statewide	1,000,000
FY 2023	Rehabilitation of Vogel State Park Lake Trahlyta Dam	3,875,000
FY 2023	Facility major improvements and renovations, statewide	12,530,000
FY 2023	Renovation of the George T. Bagby State Park	18,620,000
Forestry Commission		
FY 2023	Property acquisition, design, construction, and equipment for a new building	1,465,000
Grant to Georgia Environmental Finance Authority		
FY 2023	Federal State Revolving Fund Match, Clean Water and Drinking Water Loan Programs, statewide	10,600,000
Soil and Water Commission		
FY 2022	Rehabilitation and maintenance, statewide	1,000,000
FY 2023	Category 1 dam assessments and rehabilitation, statewide	2,160,000
	Total Growing Georgia	***52,200,000***
	Total Projects Funded by Proceeds of 2022A Bonds	**$567,185,000**

EXHIBIT 2

Information in the following table represents the project descriptions during the legislative process for the fiscal year general appropriations acts. Amounts and projects are preliminary and subject to change. In addition, in the future, 2022B Bond proceeds may be spent on other projects if approved through the Commission's redirection process or if redirected by the General Assembly in a subsequent general appropriations act.

Policy Area / **Purpose/Agency** / **Fiscal Year Appropriations**	**Project Description**	**2022B Amount***
Educated Georgia		
Department of Education (K-12 Public Schools)		
FY 2023	Construction of the Agriculture Mechanics and Agriscience Education Facility and improvements to Walters Hall at the Camp John Hope FFA/FCCLA Center	$ 4,000,000
Technical College System of Georgia		
FY 2023	Aviation equipment, multiple locations	2,500,000
FY 2023	Renovation of Building H of the Bibb County Campus, Central Georgia Technical College	1,570,000
FY 2023	Renovations of Purcell Hall, North Georgia Technical College	4,145,000
FY 2023	Construction of College and Career Academies, statewide	6,000,000
FY 2023	Construction of the Diesel Equipment and Auto Collision Demonstration Center, Albany Technical College	8,540,000
FY 2023	Construction of the Technical and Industrial Education Building, Southern Regional Technical College	28,510,000
University System of Georgia		
FY 2023	Design of Phase II of the Science Hill Modernization project, University of Georgia	2,500,000
FY 2023	Design and construction of the Central Energy Plant upgrades, Augusta University	8,700,000
FY 2023	Science Hill Modernization Phase I (Building 1001 renovation), University of Georgia	37,100,000
	Total Educated Georgia	***99,565,000***
Growing Georgia		
Savannah-Georgia Convention Center Authority		
FY 2023	Expansion of the State Convention Center in Savannah	83,000,000
	Total Growing Georgia	***83,000,000***
	Total Projects Funded by Proceeds of 2022B Bonds	**$186,565,000**

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APPENDIX A

Debt and Revenue Information

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APPENDIX A

TABLE OF CONTENTS

This APPENDIX A to the Official Statement sets forth certain information with respect to the constitutional and statutory limitations with respect to indebtedness incurred by the State and its various institutions, departments and agencies and certain selected budgetary and financial data.

DEBT INFORMATION

Appropriations and Debt Limitations

Article III, Section IX, Paragraph IV(b) of the State Constitution provides in relevant part:

> The General Assembly shall not appropriate 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.

Article III, Section IX, Paragraph V of the State Constitution provides in relevant part:

> In addition to the appropriations made by the general appropriations Act and amendments thereto, the General Assembly may make additional appropriations by Acts, which shall be known as supplementary appropriation Acts, provided no such supplementary appropriation shall be available unless there is an unappropriated surplus in the state treasury or the revenue necessary to pay such appropriation shall have been provided by a tax laid for such purpose and collected into the general fund of the state treasury.

Article VII, Section IV, Paragraph III(a)(1) of the State Constitution provides in relevant part:

> All such appropriations for debt service purposes shall not lapse for any reason and shall continue in effect until the debt for which such appropriation was authorized shall have been incurred, but the General Assembly may repeal any such appropriation at any time prior to the incurring of such debt.

Article VII, Section IV, Paragraph I of the State Constitution provides that the State may incur two types of debt: (i) general obligation debt and (ii) guaranteed revenue debt. Pursuant to subparagraphs (c), (d), and (e) of Paragraph I, general obligation debt may be incurred to: acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions and certain State authorities; provide educational facilities for county and independent school systems and public library facilities for county and independent school systems, counties, municipalities, and boards of trustees of public libraries or boards of trustees of public library systems; and make loans to counties, municipal corporations, political subdivisions, local authorities, and other local government entities for water or sewerage facilities or systems or for regional or multijurisdictional solid waste recycling or solid waste facilities or systems. Pursuant to subparagraph (f) of Paragraph I, guaranteed revenue debt may be incurred by guaranteeing the payment of certain revenue obligations issued by an instrumentality of the State as set forth in the State Constitution to finance certain specified public projects.

Article VII, Section IV, Paragraph II (b) – (e) of the State Constitution provides that:

> (b) No debt may be incurred under subparagraphs (c), (d), and (e) of Paragraph I of this section or Paragraph V of this section at any time when the highest aggregate annual debt service requirements for the then current year or any subsequent year for outstanding general obligation debt and guaranteed revenue debt, including the proposed debt, and the highest aggregate annual payments for the then current year or any subsequent fiscal year of the state under all contracts then in force to which the provisions of the second paragraph of Article IX, Section VI, Paragraph I(a) of the Constitution of 1976 are applicable, exceed 10 percent of the total revenue receipts, less refunds of the state treasury in the fiscal year immediately preceding the year in which any such debt is to be incurred.
>
> (c) No debt may be incurred under subparagraphs (c) and (d) of Paragraph I of this section at any time when the term of the debt is in excess of 25 years.
>
> (d) No guaranteed revenue debt may be incurred to finance water or sewage treatment facilities or systems when the highest aggregate annual debt service requirements for the then current year or any subsequent fiscal year of the state for outstanding or proposed guaranteed revenue debt for water facilities or systems or sewage facilities or systems exceed 1 percent of the total revenue receipts less refunds, of the state treasury in the fiscal year immediately preceding the year in which any such debt is to be incurred.
>
> (e) The aggregate amount of guaranteed revenue debt incurred to make loans for educational purposes that may be outstanding at any time shall not exceed $18 million, and the aggregate amount of guaranteed revenue debt incurred to purchase, or to lend or deposit against the security of, loans for educational purposes that may be outstanding at any time shall not exceed $72 million.

In addition, Article VII, Section IV, Paragraph IV of the State Constitution provides:

> The state, and all state institutions, departments and agencies of the state are prohibited from entering into any contract, except contracts pertaining to guaranteed revenue debt, with any public agency, public corporation, authority, or similar entity if such contract is intended to constitute security for bonds or other obligations issued by any such public agency, public corporation, or authority and, in the event any contract between the state, or any state institution, department or agency of the state and any public agency, public corporation, authority or similar entity, or any revenues from any such contract, is pledged or assigned as security for the repayment of bonds or other obligations, then and in either such event, the appropriation or expenditure of any funds of the state for the payment of obligations under any such contract shall likewise be prohibited.

Article VII, Section IV, Paragraph I (b) of the State Constitution provides that the State may incur "Public debt to supply a temporary deficit in the state treasury in any fiscal year created by a delay in collecting the taxes of that year. Such debt shall not exceed, in the aggregate, 5 percent of the total revenue receipts, less refunds, of the state treasury in the fiscal year immediately preceding the year in which such debt is incurred. The debt incurred shall be repaid on or before the last day of the fiscal year in which it is incurred out of taxes levied for that fiscal year. No such debt may be incurred in any fiscal year under the provisions of this subparagraph (b) if there is then outstanding unpaid debt from any previous fiscal year which was incurred to supply a temporary deficit in the state treasury." Pursuant to O.C.G.A. § 50-17-24(b)(2), the amount of aggregate borrowing under this constitutional authorization currently is statutorily restricted to "1 percent of the total revenue receipts, less refunds, of the state treasury in the fiscal year immediately preceding the year in which such debt is incurred." No such debt has been incurred under this provision since its inception.

See "SECURITY FOR THE BONDS" and "APPENDIX B – ANNUAL COMPRENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2021" herein.

Authorized Indebtedness

The following table sets forth the aggregate net principal amount of general obligation debt and guaranteed revenue debt authorized by the General Assembly of the State to be issued during the fiscal years beginning July 1, 1974 and ending June 30, 2023. These totals include new debt authorizations for FY 2023 for general obligation debt of $938,935,000, as previously described in the section titled "AUTHORIZED INDEBTEDNESS" shown on page 8 herein. The amounts of such general obligation debt and guaranteed revenue debt actually funded (including the Bonds) and the remaining amounts authorized but unissued as of the date of issuance of the Bonds have been aggregated for presentation in the third and fourth columns of this table and labeled "Total State Debt Funded (Including the Bonds)*" and "Unissued Authorized Indebtedness*". The amounts reflected in the column labeled "Total State Debt Funded (Including the Bonds)*" reflect the amount of authorized general obligation debt and guaranteed revenue debt funded through the issuance of bonds, a portion of which has been funded with original issue premium upon the issuance of the bonds.

(Table shown on following page – the remainder of this page has been left blank intentionally.)

STATE of GEORGIA AUTHORIZED INDEBTEDNESS

Purpose	General Obligation Debt Authorized	Guaranteed Revenue Debt Authorized	Total State Debt Funded (Including the Bonds)*	Unissued Authorized Indebtedness*
K-12 Education	$8,070,820,000		$7,764,530,000	$306,290,000
University System	7,141,623,000		7,111,023,000	30,600,000
Transportation	5,310,550,000	$1,322,245,000	6,433,175,000	199,620,000^
Technical College System	2,456,557,000		2,451,452,000	5,105,000
Department of Corrections	1,231,960,000		1,231,960,000	
Environmental Finance Authority	853,300,000	97,470,000	950,770,000	
Building Authority	915,940,000		915,940,000	
Port Facilities	898,815,000		898,815,000	
Department of Natural Resources	853,045,000		853,045,000	
World Congress Center	842,300,000		842,300,000	
Department of Juvenile Justice	505,945,000		503,345,000	2,600,000
Human Services Facilities	467,920,000		467,920,000	
Public Libraries	315,540,000		315,540,000	
Savannah-Georgia Convention Center	292,700,000		292,700,000	
Public Safety	252,195,000		252,195,000	
Secretary of State	205,050,000		205,050,000	
Bureau of Investigations	203,630,000		201,130,000	2,500,000
Department of Economic Development	136,565,000		136,565,000	
Department of Revenue	129,375,000		129,375,000	
Department of Defense	114,385,000		114,385,000	
Department of Agriculture	108,650,000		108,650,000	
Jekyll Island-State Park Authority	103,740,000		103,740,000	
Agricultural Exposition	83,305,000		83,305,000	
Department of Community Affairs	81,740,000		81,740,000	
Lake Lanier Islands Authority	89,630,000		79,630,000	10,000,000
Forestry Commission	71,125,000		71,125,000	
Stone Mountain Memorial Association	70,400,000		70,400,000	
Public Telecommunications Commission	63,755,000		63,755,000	
Department of Administrative Services	59,605,000		59,605,000	
Department of Labor	56,850,000		56,850,000	
Financing and Investment Commission	55,265,000		55,265,000	
Soil and Water Conservation Commission	46,700,000		46,700,000	
Department of Veterans Service	30,445,000		30,445,000	
Department of Driver Services	30,440,000		30,440,000	
Vocational Rehabilitation Agency	14,995,000		14,995,000	
All Other	39,260,000	-	39,260,000	-
Total	$32,204,120,000	$1,419,715,000	$33,067,120,000	$556,715,000

^: This is a guaranteed revenue debt authorization; all other unissued amounts are general obligation debt authorizations.
Source: Georgia State Financing and Investment Commission

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Outstanding Debt

The following table sets forth the projected outstanding principal amount of indebtedness of the State upon issuance of the Bonds. (There are no general obligation or guaranteed revenue debt principal payments due between the date of this Official Statement and the end of FY 2022 on June 30, 2022.) Upon issuance of the Bonds, there will be $357,095,000* of unissued authorized general obligation debt remaining to be issued.

Description	General Obligation	Guaranteed Revenue	Total Outstanding
Total projected debt outstanding as of June 30, 2022	$ 9,794,165,000	$ 409,295,000	$ 10,203,460,000
Less debt due on July 1, 2022^	-289,840,000	-	-289,840,000
Subtotal debt outstanding prior to issuance of the Bonds	9,504,325,000	409,295,000	9,913,620,000
Plus the Bonds	1,163,225,000*		1,163,225,000*
Less debt refunded by the Bonds	-522,175,000*	-	-522,175,000*
Projected total debt outstanding upon issuance of the Bonds	$10,145,375,000*	$409,295,000	$10,554,670,000*

^ The amended General Appropriations Act for FY 2022 provided funding for the prepayment of all general obligation bond debt service payments due on July 1, 2022, including the $289,840,000 of maturing principal; this prepayment is expected to occur on or before June 30, 2022.
Source: Georgia State Financing and Investment Commission

In November 2010, Georgia voters approved an amendment to the State Constitution which provided that "The General Assembly may by general law authorize state governmental entities to incur debt for the purpose of entering into multiyear contracts for governmental energy efficiency or conservation improvement projects in which payments are guaranteed over the term of the contract by vendors based on the realization of specified savings or revenue gains attributable solely to the improvements…." (Ga. L. 2010, Volume One, Book One, p. 1264, 2010 Regular Session, S.R. 1231) Subsequent to the ratification of said amendment to the State Constitution, S.B. 194, passed by the General Assembly during its 2010 session and signed by the Governor on June 4, 2010, became effective January 1, 2011 (Ga. L. 2010, Volume One, Book One, commencing at p. 1091, Act No. 669, 2010 Regular Session, S.B. 194). S.B. 194 amended Title 50 of the Official Code of Georgia Annotated by adding Chapter 37, which is codified as O.C.G.A. § 50-37-1 through O.C.G.A. § 50-37-8 (the "Guaranteed Energy Savings Performance Act ("GESP Act")). The GESP Act, among other things, authorizes State governmental units to enter into guaranteed energy savings performance contracts ("EPC" or "EPCs") for terms not to exceed twenty years. O.C.G.A. § 50-37-7(3) authorizes the Commission to establish a total multiyear guaranteed energy savings performance contract value and provided that any EPC entered into by a state entity that was not in compliance with the total contract value set by the Commission shall be void and of no effect. As of the date of this Preliminary Official Statement, approximately $80 million of Commission approved EPC contract value authority has been utilized. Per the Commission's adopted fiscal guideline policies for EPCs and multiyear rental agreements, the Commission generally will limit the total contract value authority to an amount which will not cause the ratio for debt service to prior year receipts in the Commission's debt management model to increase by more than one-half percent (0.50%), or exceed the established debt management planning target, when including all existing and anticipated multiyear obligations. EPCs are not general obligation debt or guaranteed revenue debt of the State and therefore are not subject to the ten percent (10%) debt limit described under "DEBT INFORMATION - Appropriations and Debt Limitations" herein.

In November 2012, Georgia voters approved an amendment to the State Constitution to authorize the General Assembly to allow certain State agencies to enter into multiyear rental agreements, without obligating present funds for the full amount of obligation the State may bear under the full term of such agreements. Subsequent to the ratification of said amendment to the State Constitution, S.B. 37, passed by the General Assembly during its 2012 session and signed by the Governor on May 2, 2012, became effective January 1, 2013 (Ga. L. 2012, Volume One, Book Two, commencing at p. 989, Act No. 717, 2012 Regular

Session, S.B. 37). As amended by S.B. 37, O.C.G.A. § 50-16-41(c) authorizes the State Properties Commission (the "SPC") to enter into multiyear lease agreements for administrative space on behalf of state agencies for terms not to exceed twenty years. Pursuant to O.C.G.A. § 50-16-41(l) the Commission established fiscal policies regarding multiyear lease and rental agreements and, each year, the Commission adopts a resolution establishing the maximum total multiyear contract value authority for use by SPC and the Board of Regents ("BOR") of the University System of Georgia ("USG"). Through April 2022, the SPC has entered into 115 leases utilizing approximately $763 million of Commission approved multiyear rental agreement contract value authority. Through April 2022, the BOR has entered into four (4) leases utilizing approximately $125.2 million of Commission approved multiyear rental agreement contract value authority.

At its December 8, 2021 meeting, the Commission approved the SPC's request for $125 million new multiyear rental agreement contract value for FY 2023. At its June 23, 2022* meeting the Commission will consider* the BOR's request for $10 million* new multiyear rental agreement contract value authority for FY 2023. Multiyear rental agreements are not subject to the ten percent (10%) debt limitation described under "DEBT INFORMATION - Appropriations and Debt Limitations" herein.

In addition to the multiyear rental agreements described above, the State periodically acquires certain property and equipment through multiyear lease, purchase, or lease purchase contracts that are considered for accounting purposes to be capital lease or installment purchase obligations. The State also periodically leases land, office facilities, office and computer equipment, and other assets pursuant to leases that are considered for accounting purposes to be operating leases. For information regarding outstanding capital and operating leases entered into by the State, reference is made to Note 11 – "Leases" in the State's Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021, included herein as APPENDIX B.

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Schedule of Outstanding Debt Service

Principal and interest debt service payments are made in various months throughout the year; amounts shown in the following schedule are the maximum aggregate scheduled sinking fund payments by fiscal year for all issued and outstanding general obligation bonds and guaranteed revenue bonds as of June 30, 2022 (note: amounts shown below do not include the net debt service effect of the Bonds).

Fiscal Year	General Obligation Bonds		Guaranteed Revenue Bonds		Total Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total Debt Service
2023^	$ 863,640,000	$ 382,314,281	$ 22,650,000	$ 14,230,340	$ 886,290,000	$ 396,544,621	$ 1,282,834,621
2024	850,545,000	345,740,362	19,265,000	13,182,465	869,810,000	358,922,827	1,228,732,827
2025	809,940,000	310,850,305	0	12,700,840	809,940,000	323,551,145	1,133,491,145
2026	754,560,000	276,677,357	0	12,700,840	754,560,000	289,378,197	1,043,938,197
2027	717,920,000	245,633,573	0	12,700,840	717,920,000	258,334,413	976,254,413
2028	660,335,000	215,215,032	0	12,700,840	660,335,000	227,915,872	888,250,872
2029	661,755,000	186,178,578	0	12,700,840	661,755,000	198,879,418	860,634,418
2030	585,555,000	158,979,582	0	12,700,840	585,555,000	171,680,422	757,235,422
2031	554,105,000	135,145,458	4,440,000	12,663,100	558,545,000	147,808,558	706,353,558
2032	508,435,000	113,198,826	6,320,000	12,568,480	514,755,000	125,767,306	640,522,306
2033	511,650,000	92,409,082	8,725,000	12,437,438	520,375,000	104,846,520	625,221,520
2034	431,185,000	73,085,079	10,940,000	12,264,815	442,125,000	85,349,894	527,474,894
2035	384,135,000	57,956,780	13,365,000	11,970,403	397,500,000	69,927,183	467,427,183
2036	339,240,000	44,384,967	13,755,000	11,499,350	352,995,000	55,884,317	408,879,317
2037	297,075,000	32,662,598	14,305,000	10,938,150	311,380,000	43,600,748	354,980,748
2038	238,535,000	22,994,173	14,875,000	10,354,550	253,410,000	33,348,723	286,758,723
2039	246,410,000	15,177,464	15,470,000	9,747,650	261,880,000	24,925,114	286,805,114
2040	180,220,000	8,364,241	16,095,000	9,116,350	196,315,000	17,480,591	213,795,591
2041	131,090,000	3,745,835	16,740,000	8,459,650	147,830,000	12,205,485	160,035,485
2042	67,835,000	963,526	17,400,000	7,776,850	85,235,000	8,740,376	93,975,376
2043			18,100,000	7,066,850	18,100,000	7,066,850	25,166,850
2044			18,825,000	6,328,350	18,825,000	6,328,350	25,153,350
2045			19,575,000	5,560,350	19,575,000	5,560,350	25,135,350
2046			20,365,000	4,761,550	20,365,000	4,761,550	25,126,550
2047			21,170,000	3,930,850	21,170,000	3,930,850	25,100,850
2048			22,025,000	3,177,075	22,025,000	3,177,075	25,202,075
2049			22,680,000	2,506,500	22,680,000	2,506,500	25,186,500
2050			23,360,000	1,815,900	23,360,000	1,815,900	25,175,900
2051			24,065,000	1,104,525	24,065,000	1,104,525	25,169,525
2052			24,785,000	371,775	24,785,000	371,775	25,156,775
Total	$9,794,165,000	$2,721,677,098	$409,295,000	270,038,355	$10,203,460,000	$2,991,715,454	$13,195,175,454

^ On March 16, 2022, the Governor signed the amended General Appropriations Act for FY 2022 which provides $378,431,473 for the prepayment of all general obligation bonds debt service payments which are due on July 1, 2022. In order to provide a meaningful comparison of the scheduled fiscal year debt service payments on all outstanding general obligation debt as of the date of this Official Statement, the FY 2023 figures as shown above have not been reduced by the prepayment appropriation.

Note: Total Interest and Total Debt Service amounts may not add precisely due to rounding.
Source: Georgia State Financing and Investment Commission

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Rate of Debt Retirement

Shown below are the rates of scheduled debt retirement on all outstanding general obligation bonds and guaranteed revenue bonds of the State as of June 30, 2022 (not including the Bonds).

Principal Amount Due	Amount	% of Total
In 5 Years (60 Months)	$4,038,520,000	39.6%
In 10 Years (120 Months)	$7,019,465,000	68.8%

Source: Georgia State Financing and Investment Commission

Market Transactions to Retire Debt

From time to time the State uses earnings on invested general obligation bond proceeds to purchase outstanding general obligation bonds in secondary market transactions with dealers; bonds so purchased are then cancelled and are no longer outstanding. During the period shown below, very low interest rates available on the invested general obligation bond proceeds resulted in significantly fewer funds available for this program than in preceding years; this condition is expected to continue for an indeterminate period of time into the future. The schedule below summarizes these transactions for the years indicated (note: FY 2022 is through the date of this Official Statement).

Fiscal Year	Par Value	Purchase Price[(a)]	Purchase Price as % of Par Value
2018	$ 200,000	$ 228,425	114.212%
2019	400,000	426,460	106.615
2020	16,635,000	17,088,347	102.725
2021	870,000	877,473	100.859
2022	2,055,000	2,352,898	114.496

[(a)] Excluding Accrued Interest
Source: Georgia State Financing and Investment Commission

Debt Statistics

State Treasury Receipts

The State's compliance with its constitutional debt limitation is calculated on the basis of the State Treasury Receipts (revenue receipts less refunds); information for FY 2017 through FY 2021 is set forth in the table below. The annual percentage increase or decrease in such State Treasury Receipts is set forth in the third column of the table below. Note: For preliminary information regarding major tax category collections during FY 2022 year-to date, see the table within this APPENDIX A in "REVENUE INFORMATION" which is titled "FY 2022 Year to Date Unaudited State Revenues – Georgia Department of Revenue" herein.

Fiscal Year	State Treasury Receipts	% Change From Prior Year
2017	$24,519,402,190	4.4%
2018	25,649,499,261	4.6
2019	26,973,017,172	5.2
2020	26,900,038,894	-0.3
2021	30,316,588,230	12.7

Source: State Accounting Office – Georgia Revenues and Reserve Report

Legal Debt Margin

The amounts permissible under the State's constitutional debt limitation are set forth below:

• State Treasury Receipts for FY 2021	$30,316,588,230
• Highest annual commitments permitted under constitutional limitation – 10% of State Treasury Receipts for FY 2021	$3,031,658,823
• Highest debt service for currently outstanding debt in any year (FY 2023)	$1,282,834,621*
• As a percent of FY 2021 State Treasury Receipts	4.23%*
• FY 2023 Appropriated Highest Annual Debt Service for the Bonds	$68,056,004*
• Total highest current outstanding debt service plus appropriated debt service for the Bonds	$1,350,890,625*
• As a percent of FY 2021 State Treasury Receipts	4.46%*
• Remaining common reserve fund appropriation for unissued authorization of guaranteed revenue debt	$13,464,597
• Total highest current outstanding debt service plus appropriated debt service for the Bonds plus remaining common reserve fund appropriation for unissued authorization of guaranteed revenue debt	$1,364,355,222*
• As a percent of FY 2021 State Treasury Receipts	4.50%*
• Total additional debt service appropriations for all remaining currently authorized but unissued general obligation bonds after issuance of the Bonds	$32,266,341*
• Total highest annual commitments in any fiscal year, current outstanding debt service plus debt service appropriations for all currently authorized but unissued general obligation bonds and common reserve fund appropriation for unissued authorization of guaranteed revenue debt	$1,396,621,563*
• As a percent of FY 2021 State Treasury Receipts	4.61%*
• Projected State Treasury Receipts for FY 2022	$30,046,581,332*
• As a percent of FY 2022 Projected State Treasury Receipts	4.65%*
• Projected State Treasury Receipts for FY 2023	$30,202,480,710*
• As a percent of FY 2023 Projected State Treasury Receipts	4.62%*

Sources: Georgia State Financing and Investment Commission; State Accounting Office

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Assessed Valuation
(Real Estate and Personal Property)

The assessed valuation of real and personal property located in the State, its estimated actual value ("EAV"), and the assessed value as a percentage of the EAV are set forth in the table below.

Year	Assessed Valuation	Estimated Actual Value	Assessed as a % of EAV
2017	$394,723,489,792	$1,020,220,960,952	38.7%
2018	422,873,392,201	1,092,978,527,271	38.7
2019	450,510,046,035	1,162,006,824,954	38.8
2020	477,141,297,253	1,237,720,615,441	38.6
2021[a]	501,922,298,292	1,365,403,422,993	36.8

[a] Note: Amounts for 2021 are preliminary and certain amounts have not been approved by the State Board of Equalization as of the date of this Official Statement. Amounts as shown above are subject to further changes until November 15, 2022, when they are scheduled to be finalized, with further revisions subject to any ongoing appeals at that time.
Source: State of Georgia Department of Audits and Accounts, Sales Ratio Division

Article VII, Section I, Paragraph II (a) of the State Constitution provides:

"The annual levy of state ad valorem taxes on tangible property for all purposes, except for defending the state in an emergency, shall not exceed one-fourth mill on each dollar of the assessed value of the property."

The State last imposed a tax levy under this provision in 2015, although occasionally payments will be received as appraisal and assessment appeals and court cases are resolved with taxes owed to the State or a refund owed by the State to a successful appellant or litigant.

Debt Ratios

The debt ratios set forth below in this table are based on the Assessed Valuation set forth in the table above and the following key statistics:

Projected Total State Debt Outstanding Upon Issuance of the Bonds (see "Outstanding Debt" herein)	$10,554,670,000*
2021 Population Estimate[(1)]	10,799,566
2021 Total Personal Income Estimate[(2)]	$597,100,000,000*
Debt per Capita	$977*
Debt to Personal Income	1.77%*
Debt to Assessed Valuation (See "[a] Note" in the table above.)	2.10%*
Debt to Estimated Actual Value (See "[a] Note" in the table above.)	0.77%*

[(1)] As of July 1, 2021, U.S. Department of Commerce, Bureau of the Census
[(2)] U.S. Department of Commerce, Bureau of Economic Analysis – Calendar Year 2021
Source: Georgia State Financing and Investment Commission

REVENUE INFORMATION

Fiscal Policy

Under Georgia law, the Governor is the State's Chief Executive and ex officio Director of the Budget. The Governor is assisted in financial management by the Director of the Governor's Office of Planning and Budget ("OPB"), who also serves as the Chief Financial Officer for the State. The State Constitution assigns responsibility for revenue estimates to the Governor. The Governor is aided in this determination by revenue projections developed by the State Economist. The State Economist utilizes various sources of information and other forecasts of key U.S. and Georgia economic data when developing his forecasts. The State Economist's forecasts then are compared to publicly available forecasts such as those produced by the Georgia State University Economic Forecasting Center, and to consensus forecasts of the U.S. economy. The Governor also appoints a Council of Economic Advisors separate from the State Economist. The Council of Economic Advisors is comprised of economists from public and private entities who meet at the call of the Governor to provide independent economic and revenue forecasts on the current and future fiscal years.

Budgetary Controls and Budget Process

The State Constitution requires the State to adopt a balanced budget. The State Constitution assigns responsibility for revenue estimates to the Governor, provides that no money may be drawn from the State Treasury except for appropriations made by law, and requires that the General Assembly annually appropriate state and federal funds necessary to operate all of the various departments and agencies of State government. It further provides that the general appropriations bill embrace only appropriations that were fixed by previous laws; the ordinary expenses of the executive, legislative, and judicial departments of State government; payment of the public debt and the interest thereon; and, support of the public institutions and educational interests of the State.

Each year, the General Assembly routinely passes and the Governor signs two separate appropriations acts - the "amended" or "supplementary" current fiscal year appropriations act (to adjust the current fiscal year to account for changes in school enrollment, changes in estimated revenues, and to provide for other unanticipated needs), and the general appropriations act for the upcoming fiscal year (FY 2023 in this case), which must be adopted prior to the start of the upcoming fiscal year. The Governor has the authority to call a special session of the General Assembly for the purpose of amending an appropriations act or to address other critical fiscal issues which need to be addressed prior to the next upcoming regular session of the General Assembly. The regular session of the legislature begins the second Monday in January each year. Should it be necessary, one or more special legislative sessions can be called by the Governor prior to the meeting of the General Assembly for the regular session to address any budgetary or revenue matters, or other legislative priorities.

Cashflow Management

Before money can be disbursed pursuant to an appropriation, it must be allotted (administratively allocated and approved for expenditure). Allotments are provided to State agencies and other budget units by issuance of warrants by OPB. A warrant is the approval of funding a portion of the appropriated amount to a budget unit such that the budget unit has the funding available to expend in accordance with an appropriation. The Office of the State Treasurer ("OST") funds warrants against the allotments as allotment draw requests are presented to it by the various State budget units and monitors approved, but undrawn allotment balances. Undrawn allotment balances include funding for expenditures associated with contracts resulting in some carry-forwards from the previous fiscal year. Allotments tend to be paid out gradually; however, there is a risk that, should there be a sudden increase in requests and/or amounts by budget units for previously allotted funds, the payment of those allotments could strain the State's cash resources. OPB has the authority to withhold undrawn allotments prior to such allotments being funded by the OST, if necessary, to manage state expenditures to available revenues, or to maintain liquidity. Also, during the course of a fiscal year, if it appears that revenues have fallen below the amounts originally anticipated, OPB can take steps to reduce State expenditures by requiring budget units to reserve appropriations or, through coordination with State agencies and other budget units, can delay approval of allotments and rescind prior allotments, if need be. OPB also may rescind previously approved allotments. In addition, the Governor can reduce the revenue estimate for a fiscal year and recommend that the legislature amend the current budget to reflect lowered revenue estimates.

Treasury continually monitors cash balances available to fund appropriation allotments as they are presented for payment. If necessary, the State may take steps to ensure liquidity which could include managing the timing of allotments for appropriations and tax refunds as permitted by state law, withholding appropriation allotments, or rescinding appropriation allotments. Although it has not used other measures to maintain sufficient liquidity, the State has other legally authorized options available to enable it to access liquidity in more extraordinary circumstances, including securing a bank line of credit, issuing short-term debt, transacting reverse repurchase agreements, or internal borrowing. Under current State law, the amount that could be drawn on an external line of credit is limited to one percent (1%) of the prior year's receipts and any such borrowing must be repaid within the same fiscal year it was incurred.

Revenue Shortfall Reserve

With respect to the revenue shortfall reserve and the mid-year adjustment reserve, O.C.G.A. § 45-12-93 provides in relevant part:

(a) There shall be a reserve of state funds known as the "Revenue Shortfall Reserve."

(b) The amount of all surplus in state funds existing as of the end of each fiscal year shall be reserved and added to the Revenue Shortfall Reserve. Funds in the Revenue Shortfall Reserve shall carry forward from fiscal year to fiscal year, without reverting to the general fund at the end of a fiscal year. The Revenue Shortfall Reserve shall be maintained, accumulated, appropriated, and otherwise disbursed only as provided in this Code section.

(c) For each existing fiscal year, the General Assembly may appropriate from the Revenue Shortfall Reserve an amount up to one percent (1%) of the net revenue collections of the preceding fiscal year for funding increased K-12 needs.

(d) The Governor may release for appropriation by the General Assembly a stated amount from funds in the Revenue Shortfall Reserve that are in excess of four percent (4%) of the net revenue of the preceding fiscal year.

(e) As of the end of each fiscal year, an amount shall be released from the Revenue Shortfall Reserve to the general fund to cover any deficit by which total expenditures and contractual obligations of state funds authorized by appropriation exceed net revenue and other amounts in state funds made available for appropriation.

(f) The Revenue Shortfall Reserve shall not exceed fifteen percent (15%) of the previous fiscal year's net revenue for any given fiscal year.

If the Revenue Shortfall Reserve is fully funded at fifteen percent of the previous fiscal year's net revenue, then any additional excess net revenue or agency surplus will be reflected as undesignated, unreserved surplus. Such a surplus would be available to be used first for any future revenue shortfalls prior to the use of the Revenue Shortfall Reserve. In FY 2021 the 15% legal limit for the Revenue Shortfall Reserve was met and the receipts in excess of the 15% limit were reported as unreserved, undesignated surplus. As of June 30, 2021, the balance of the Revenue Shortfall Reserve was $4,288,774,541 and the balance of the unreserved, undesignated surplus was $2,342,811,556. The Governor also has the authority to recognize any portion of undesignated, unreserved surplus funds in his revenue estimate for either the amended or general appropriations act as available funds for spending purposes.

The following tables set forth certain information regarding the State's Revenue Shortfall Reserve for the fiscal years shown.

Total State General Funds and Revenue Shortfall Reserve ($ in millions)

		Revenue Shortfall Reserve [1]		
Fiscal Year	Total State General Funds	Total Reserves	Uses of Reserves [2]	Net
2017	$23,268	$2,541	$(233)	$2,309
2018	24,320	2,800	(243)	2,557
2019	25,571	3,063	(256)	2,808
2020	25,479	2,959	(255)	2,705
2021	28,592	4,289	(286)	4,289^

(1) The amount by which the total Revenue Shortfall Reserve exceeds four percent (4%) of the net revenue collections (referred to as "Total State General Funds" above) of the preceding fiscal year may be released by the Governor for appropriation by the General Assembly. For the fiscal years shown above, no funds in addition to the one percent (1%) for funding increased educational needs (see (2) below) were released from the Revenue Shortfall Reserve by the Governor.

(2) Up to one percent (1%) of the net revenue collections (referred to as "Total State General Funds" above) of the preceding fiscal year may be used for funding increased educational (K-12) needs. Such amounts for the fiscal years shown above were appropriated in the immediate subsequent fiscal year for this purpose (see the tables on pages A-22 and A-23 herein).

^ Due to the availability of unreserved, undesignated surplus at the end of FY 2021, the funds used for the 1% midterm adjustment for K-12 needs will be replenished from the unreserved, undesignated surplus and thus will not reduce the overall balance of the Revenue Shortfall Reserve.

Source: State Accounting Office
Note: Amounts may not add precisely due to rounding.

Balances as of June 30, 2021

Adjusted Net FY 2020 Revenue Shortfall Reserve Balance	$ 2,704,664,669
Excess of FY 2021 Total Current Year State Treasury Receipts and Agency Surplus Returned Over Current Year Appropriation/Other Deductions	3,926,921,428
Ending Revenue Shortfall Reserve (Preliminary) – June 30, 2021	6,631,586,097
Less Maximum Revenue Shortfall Reserve – 15% of State General Fund Receipts (Net Revenue Collections)	**(4,288,774,541)**
Unreserved, Undesignated Surplus as of June 30, 2021	$ 2,342,811,556

Source: State Accounting Office
Note: Amounts may not add precisely due to rounding.

During FY 2021, the Governor recommended, and the General Assembly enacted, a budget with substantial spending reductions due to the uncertain economic environment caused by the COVID-19 pandemic. As FY 2021 actual revenues were substantially above estimated revenues used when drafting the appropriations act, the State realized significant "Excess Receipts" in FY 2021 that exceeded the maximum Revenue Shortfall Reserve, contributing to the unreserved, undesignated surplus as shown above.

Changes to Georgia's Tax Code

2022 General Assembly Session. A number of significant actions were taken in regard to taxes during the 2022 general session of the General Assembly – actions include: refunds and tax suspensions, tax credit or exemption changes, and a major change in the State's personal income tax code.

First, as a result of the unreserved, undesignated surplus of over $2.0 billion for FY 2021, during its 2022 regular session the General Assembly passed, and the Governor signed into law, a one-time tax refund for all Georgia taxpayers who filed income taxes for both 2020 and 2021. The refund amounts are up to $250 for single filers, $375 for heads of household, and $500 for married filing jointly, but will not exceed income taxes actually paid. These refunds are expected to total $1.1 billion with the majority of these refunds expected to be paid in FY 2022 from the unreserved, undesignated surplus carried forward from FY 2021 into FY 2022.

Second, the General Assembly passed and the Governor signed into law a suspension of State taxes on purchases of motor fuel and diesel fuel (the "suspension") for the period extending from 5:00PM EDT March 18, 2022 through May 31, 2022; on May 26, 2022, and in conjunction with the Governor's Renewal of his Executive Orders declaring, establishing, and extending a "State of Emergency for Supply Chain Disruptions" and "Suspending Fuel Taxes During the State of Emergency for Supply Chain Disruptions", the Governor signed his Executive Order 05.26.22.01, a copy of which can be obtained from the Office of the Governor's website, to extend the suspension through July 14, 2022. This suspension is expected to reduce State motor fuel and diesel fuel tax collections by approximately $650 million through July 14, 2022. (On a fiscal year basis, the projected impact is approximately $570 million for FY 2022 and $80 million for FY 2023.) While this suspension will impact overall general fund collections, it will not negatively impact appropriations to the Georgia Department of Transportation for FY 2022 as appropriations already had been enacted at the time the tax initially was suspended. It currently is expected the foregone revenues from the suspension with respect to FY 2022 will be replaced from FY 2022 revenue surpluses or existing undesignated, unreserved surplus carried over from FY 2021 into FY 2022. For FY 2023, current enacted appropriations are based on anticipated FY 2023 revenues as estimated prior to the initial Executive Order. Should FY 2023 motor fuel revenues be revised down in the Amended FY 2023 budget due to the suspension, the State is not prohibited from appropriating other general funds to offset any impact to the Department of Transportation.

Third, the General Assembly passed an assortment of special exclusions and new or expanded tax credits; the three items with the largest impact include HB 1064 - an exclusion from income taxes of military retirement payments, HB 1291 - an extension to an existing exclusion for high tech data center equipment purchases, and SB 361 - a new tax credit for contributions to law enforcement-related charities. These three changes are anticipated to result in approximate reduced annual income tax collections by the State, respectively, of $60 million, $80 million, and $75 million. In aggregate, all of the tax changes described above, and which were signed into law by the Governor (as Act 641, Act 842, and Act 856, respectively) along with several others also signed into law by the Governor which will have much smaller impacts upon State tax collections, are expected to result in approximate reduced State tax collections between $250 million and $300 million per year beginning with FY 2023 collections.

The most significant income tax legislation passed by the General Assembly and signed into law by the Governor was a State personal income tax cut and reform bill (HB 1437). This legislation, which will go into effect on January 1, 2024, will convert the State's current progressive rates personal income tax system into a single tax rate (flat tax) at all levels of taxable income with expanded personal exemptions which will result in net tax reductions going forward. The flat tax system will begin calendar year 2024 with an income tax rate of 5.49% (as compared to the current system which has tax rates ranging from 1% to 5.75%) and then decline by 0.10% each year beginning with calendar year 2025 and continuing through 2029 provided certain State revenue thresholds are met by December 1 preceding each year of the scheduled decreases until the rate is 4.99%. Personal exemptions also will be revised effective calendar year 2024 with further changes (increases in the amount of exemptions) in calendar years 2026, 2028, and 2030; these changes are not dependent upon any thresholds for revenue forecasts or actual amount of collections.

The conditions which must be met prior to any annual income tax rate reduction to go into effect are: (1) the Governor's revenue forecast for the upcoming fiscal year is at least 3% above the revised revenue forecast for the then current year's amended budget; (2) revenue is forecasted to exceed the highest amount collected in the immediately preceding five State fiscal years; and (3) the revenue shortfall reserve contains at least as much as the 0.10% decrease would be projected to reduce State tax collections. Current projections are a 0.10% reduction in the tax rate would reduce State revenues about $260 million per year; these thresholds may be difficult to meet each year. In the event the thresholds are not met in any year, the scheduled rate reduction will be delayed by one year. The following table shows the current projections of foregone revenue from the scheduled reductions versus if the current tax system had stayed in effect, under the best-case of the thresholds always being met and the worst-case scenario of the thresholds never being met.

Projected Fiscal Impact of HB 1437 ($ millions)		
Fiscal Year	Thresholds Always Met	Thresholds Never Met
2024	-$ 426	-$ 426
2025	-1,160	-1,064
2026	-1,522	-1,160
2027	-1,925	-1,288
2028	-2,337	-1,401
2029	-2,700	-1,567
2030	-2,880	-1,701
2031	-3,110	-1,879

The State expects to compensate for these revenue losses through a combination of normal economic growth and by finding additional efficiencies in State government service delivery. Management of the impact upon the budgeting process will be helped in that Georgia will have three fiscal years to prepare for the full impact of these tax cuts and also that the amount of revenue foregone is roughly equal to one year's normal revenue growth (in the triggers never met scenario). Thus, while this law will result in an increased emphasis upon the management of State expenditures, the State expects it will be able to meet the challenge by continuing its long-standing practice of conservative budgeting, increasing efficiencies in the delivery of State services, and continued strong financial management of public funds.

HB 1437 also provides that on or before May 1, 2023, the House Ways and Means Committee and the Senate Committee on Finance shall jointly undertake a thorough review of any and all State income tax credits, deductions and exemptions and not later than December 1, 2023 submit a report of their findings and recommendations to the presiding officers of their respective chambers. HB 1437 further provides that HB 918 which was passed during the General Assembly's 2018 regular session and signed into law by the Governor (see the fourth succeeding paragraph for a description of HB 918, as passed), was repealed in part and revised in part. HB 1437 repealed those parts of HB 918 which established the personal income tax schedule and a future cut in the top income tax rate with respect to the personal income tax and replaced them with the schedule described in the third preceding paragraph above, while leaving in place the current provisions regarding corporate income taxation as established by HB 918. HB 1437 also left in place all the provisions of HB 918 with respect to income tax return filers' amended/revised returns and settlements resulting from audited returns for returns filed for years through and including 2023.

Prior General Assembly Sessions. During its 2021 legislative session the General Assembly passed several bills that were signed into law by the Governor which amended Georgia's income tax code. In aggregate, these changes were projected by the State's Fiscal Economist to reduce Georgia's general fund revenues by an estimated $170 to $200 million in FY 2022 with smaller effects of about $150 million per year in reduced revenue for subsequent fiscal years. HB 593, an expansion of the standard deduction for personal income taxpayers, was effective beginning with taxes filed for the 2022 calendar year and was estimated to reduce future state fiscal years' general fund revenues by $141 million on a full fiscal year basis, rising slowly by about $1 to $2 million per year with population growth. HB 114, which expanded the income tax credits available to families who adopt children from foster care, was expected to reduce general fund revenues by less than $1 million in FY 2022, increasing incrementally each year to an estimated $1.6 million for FY 2026. SB 6, which contained a variety of tax exemptions and tax credits, including the manufacturing of medical and pharmaceutical equipment, high-impact aerospace defense projects, Class III railroad maintenance, projects of regional significance, fine arts ticket sales, concrete manufacturing, boat retrofitting projects, rehabilitation of historic structures, retail business headquarters, and high-tech equipment purchases, was estimated to reduce State revenues by $9 to $18 million in FY 2022 and $8 to $22 million in FY 2023. The provisions with respect to aerospace, provided businesses in Georgia are awarded any such contracts, were expected to reduce potential future State revenues by an estimated $30 million by FY 2026. HB 63 changed the way the Title Ad Valorem Tax ("TAVT") on car sales is collected on leased cars and was expected to reduce annual revenues by about $3 million. Finally, HB 317 changed the definition of innkeeper to include marketplace facilitators and thus requires the collection of hotel and motel taxes on short-term rentals through websites such as Airbnb. HB 317 was expected to add an estimated $17 million in revenue in FY 2022, $20 million in FY 2023, and growing incrementally thereafter. The FY 2022 and adopted FY 2023 projected revenues are sufficiently conservative to absorb these tax adjustments with no spending cuts required to offset the projected revenue losses from the changes.

During its 2020 legislative session, the General Assembly passed limited legislation which made changes to Georgia's tax code. The most significant fiscal bill passed in the 2020 session was a marketplace facilitator tax law, clarifying how internet-based marketplace facilitators must collect and remit sales taxes. This bill was signed into law by the Governor and went into effect on April 1, 2020. Based on sales taxes collected since the effective date, it appears this law has resulted in an increase in State sales tax collections on the order of $300 million per year; however, the impact of COVID-19 upon Georgia's economy and State revenues makes the analysis significantly more difficult, and less precise, than normally would be the case.

During its 2019 legislative session, the General Assembly passed several bills that were signed into law by the Governor which adjusted Georgia's tax code. These bills included adjusting thresholds for economic nexus, adjustments to job tax credits, and adjustments to the TAVT. These bills were expected to reduce the State's general fund revenues in aggregate by about $8.7 million in FY 2020, $59.3 million in FY 2021, and increasing at approximately the rate of inflation in subsequent years.

During its 2018 legislative session, the General Assembly passed several bills to amend Georgia's income tax code which were signed into law by the Governor. In particular, the General Assembly passed and the Governor signed into law House Bill 918 ("HB 918") to align Georgia's income tax code with the federal tax code after passage by Congress of the Tax Cut and Jobs Act ("TCJA"), and to adjust Georgia's tax structure in response to expected revenue changes from those changes. The TCJA essentially expanded the federal tax base for individual and corporate income taxpayers while lowering federal income tax rates. Simply conforming Georgia's income tax code to the federal tax base changes would have resulted in significant increases in income tax revenues to Georgia. HB 918 established and initiated a three-step process to adjust Georgia's income tax structure. First, effective January 1, 2018, the standard deduction for all individual filers was doubled. Second, effective January 1, 2019, the top tax rate for individual and corporate taxpayers was reduced from 6.0% to 5.75%. Third, there was to have been an additional 0.25% reduction of the top tax rate from 5.75% to 5.50% effective January 1, 2020; however, because the rate decrease from 5.75% to 5.50% had been projected to result in a decrease of approximately $600 million per year of State income tax collections from FY 2021 forward, the Governor did not include that rate reduction in his revenue estimates presented to the General Assembly in January 2020 and the General Assembly did not adopt the necessary resolution to reduce the top tax rate during its 2020 legislative session, meaning the maximum tax rate remained at 5.75%. HB 918 also provided that these changes to Georgia's income tax code sunset on December 31, 2025, concurrent with the sunset of the TCJA's changes to the federal tax code.

Prior to the changes included in HB 918 described above, Georgia's income tax structure had remained unchanged since 1937, although an amendment to the State Constitution related to State income taxes which became effective on January 1, 2015 effectively established the maximum marginal rate of income tax at six percent (6%). As shown in the "Georgia Revenues Actual FY 2017 – FY 2021" table in the following "Fiscal Performance" section, during the two fiscal years preceding HB 918 (FY 2017 and FY 2018), combined individual income taxes and corporate income taxes accounted for approximately 49.0% of total State Treasury Receipts. For the three completed fiscal years since HB 918 became effective (FY 2019, FY 2020, and FY 2021), combined individual income taxes and corporate income taxes have accounted for approximately 51.1% of total State Treasury Receipts.

Fiscal Performance

FY 2022 Preliminary Year-to-Date Results. FY 2022 year-to-date State revenues are on a pace, which if continued for the full fiscal year, would exceed both FY 2021 State revenue collections and the amended FY 2022 budget projected State revenues by an amount sufficient to offset, if necessary, all of the expected approximately $570 million of FY 2022 foregone revenues resulting from the motor fuel tax suspension which began in mid-March 2022 (see discussion in the section entitled "**Changes to Georgia's Tax Code** – *2022 General Assembly Session*" above), as well as the projected $1.1 billion aggregate one-time income tax refunds that will be paid out of the unreserved, undesignated surplus from FY 2021 which was carried forward to FY 2022.

As of May 31, 2022, FY 2022 tax collections by the Georgia Department of Revenue for the first eleven months of the fiscal year for personal income tax, corporate income tax, and net sales and use taxes totaled approximately $16.812 billion, $2.030 billion, and $7.598 billion, respectively. The only major tax revenue category which is not expected to meet or exceed the revenue estimate for FY 2022 is motor fuel taxes; this is due to the motor fuel tax suspension which began in mid-March 2022, as more fully discussed in the "**Changes to Georgia's Tax Code** *2022 General Assembly* Session" section above. The State currently expects to exceed its aggregate revenue estimate for FY 2022.

For additional, more detailed information regarding the revenues cited above, see the table titled "FY 2022 Year to Date Unaudited State Revenues – Georgia Department of Revenue" on page A-26 herein.

FY 2021 Results. Georgia's economy reopened earlier than many states following the spring 2020 pandemic response lockdown, leading to an early and strong rebound to its economy. As a result, many more businesses in Georgia were operating closer to normal during FY 2021 than in many other states, and this led to record tax collections for FY 2021. FY 2021 saw the State record new all-time highs for personal income tax, corporate income tax, sales tax collections, and total net taxes despite the rising costs of doing business in a pandemic and some remaining shutdowns and restrictions. The State also posted new record highs for total State General Fund receipts and State Treasury Receipts and entered FY 2022 with considerable economic momentum.

Personal income tax collections in FY 2021 were $14.221 billion, an increase of 14.6% compared to FY 2020. Corporate income taxes totaled $1.751 billion in FY 2021, an increase of 42.0% compared to FY 2020. Net sales taxes were $6.947 billion for FY 2021, which was an increase of 12.5% over FY 2020. Total net taxes for FY 2021 were $26.849 billion, which is a 13.2% increase over FY 2020, and total State Treasury Receipts in FY 2021 were $30.317 billion, an increase of 12.7% compared to FY 2020.

Revenue Shortfall Reserve. Georgia's net Revenue Shortfall Reserve ("RSR") increased to approximately $4.289 billion at the end of FY 2021 from approximately $1.298 billion at the end of FY 2020. While O.C.G.A. § 45-12-93(c) permits the State to use (up to) one percent (1%) of the net revenue collections of the preceding fiscal year for funding increased educational (K-12) needs in a current fiscal year amended budget (as has been the practice for many preceding fiscal years, including the FY 2022 amended budget), the State's undesignated, unreserved surplus carried over into FY 2022 was large enough to replace this usage in the RSR, resulting in no overall reduction in the RSR (see the preceding section of this Official Statement titled "REVENUE INFORMATION - Revenue Shortfall Reserve"). The increase in the net RSR balance was driven by an extraordinary increase in State Treasury Receipts during FY 2021 as the State's economy recovered from the short, but very deep COVID-19 recession, as well as significant funding received from the federal government to assist in paying for the expenses incurred by the State in its effort to fight the spread of the COVID-19 virus and mitigation and recovery efforts.

Current Economic Indicators. The economy in Georgia in 2022 can be characterized as on a path to return to normal, but the regularization of the State's economy after the pandemic-effected 2020 is not complete yet. Georgia consumers still are spending more on goods relative to services than normal, supply chain issues still are impacting businesses and consumers, and the distribution of employment across major industries has shifted toward higher-paying sectors of the economy.

While the strain on supply chain capacity likely is holding back the economy, the other two factors mentioned above are resulting in a boon to the State's revenue collections. Because Georgia imposes a sales tax on goods while generally exempting services, the change in the goods/services split in consumer spending has boosted State (and also local) government sales tax collections. Additionally, the sectors that have struggled to regain previous employment levels are leisure and hospitality, state and local government, and education. Meanwhile, Georgia has seen employment in information, finance, and business and professional services exceed the pre-pandemic levels. This shift from lower-paying to higher-paying employment, combined with the general increase in wage levels across the entire economy, means that while the State's total employment is approximately one percent (1%) above pre-pandemic levels, the state's personal income tax collections have increased more than that. As growth in jobs in the information technology and finance sectors in Georgia is expected to continue going forward, it is expected the rate of growth in personal income and state income tax collections will continue to grow faster than the growth rate of total employment.

Growth in wages and the employment rebound can be seen in the State's personal income tax withholding data. Personal income tax withholding in January 2022 was 14.4% higher than in January 2020, just prior to the start of the pandemic in the U.S. While the recent surge in the rate of inflation has reduced the real wage gains being made by workers, the State collects taxes in nominal, not real dollars, and therefore inflation results in higher tax collections by the State.

According to the State Employment and Unemployment Survey data from the U.S. Bureau of Labor Statistics, as of February 2022, the State's total employment was approximately 58,000 jobs above the February 2020 level; however, even after two years, three industry groups - other services, government, and leisure and hospitality - still show job losses. Large gains have been made in employment in trade, transportation, and utilities, and in business and professional services, and all the remaining industry groups are very close to their previous employment level. These shifts in employment are toward higher paying jobs (with smaller gains in the information and finance segments) and thus are making the State's economy more resilient.

In March 2022 the Georgia Ports Authority ("GPA") announced the completion of the dredging for the Savannah Harbor Expansion Project, which deepened 40 miles of the Savannah River Channel from the beginning of the channel in the Atlantic Ocean northwesterly to beyond GPA's Garden City Terminal. The newly deepened channel now will facilitate transit of all but the extreme largest ocean going cargo transport ships currently sailing or in development. GPA has grown to be a significant economic engine for Georgia and is reporting record volumes in FY 2022 through April 2022. For FY 2022 to date, container volumes of 4.75 million twenty-foot equivalent units ("TEUs", the standard size international shipping container) exceed FY 2021 results during the same time period by 7.8%. During April 2022 the GPA reported an increase of 29,150 TEUs (6.2%) over April 2021 results. For all of calendar year 2021, the Savannah port facility ranked as the top U.S. container export port by loaded volume, handling 1.38 million TEUs. GPA's facilities support industries in Georgia and beyond by boosting transportation, warehousing, and distribution both internationally and domestically. Major infrastructure projects recently completed, other projects currently in progress, as well as planned future improvements, will support continued growth in volume of products passing through Georgia's ports.

Georgia also has continued its strong history of attracting new investments in manufacturing facilities and office jobs. Announcements through the first ten months of FY 2022 already have surpassed the full year totals for FY 2021 for investments, projects, and jobs to be created. With respect to these announcements only, 62% of new jobs and 85% of new investment are planned for areas outside of the ten county metro Atlanta region. This geographic dispersion of the new investments and future jobs means that the State's economy is growing throughout the State, not just in its largest urban hub of Atlanta, which should result in income gains in the smaller metros and rural areas in the future as these new or expanded facilities move from the construction stage to operations.

As FY 2022 nears its close, continued strength in revenue collections, particularly personal income tax, corporate income tax, and sales tax show a strong State economy. The State Economist estimates that Georgia's residents still have an extra $70 billion in savings, primarily a result of unspent balances from the federal pandemic response relief monies. This should provide some cushion against an economic slowdown even if income growth slows or reverses, as consumers can use their bank balances to support consumption of goods and services. Between the strength in revenue collections and the healthier than normal personal financial conditions of its residents, Georgia's economy is strong and should be able to continue steady growth even as the Federal Reserve Board implements interest rate increases and economic tightening to bring the rate of inflation back to its target rate of 2%.

Amended FY 2022 Budget. The General Assembly convened for its annual legislative session in January 2022 to consider the Amended FY 2022 ("AFY 2022") budget, the FY 2023 budget, and other legislative matters. The AFY 2022 budget was passed by the General Assembly on March 15, 2022 and signed into law by the Governor on March 16, 2022.

The AFY 2022 budget added $2.8 billion in spending over the original enacted FY 2022 budget. The additional spending primarily is the restoration of funding which was reduced in the FY 2021 budget due to uncertainty regarding the COVID-19 pandemic and its potential impact on State revenues. The AFY 2022 budget assumes flat growth as compared to FY 2021 actual general fund revenues at $28.5 billion. No additional funds were allocated from unreserved, undesignated fund balances for expenditure and the budget is structurally balanced. The AFY 2022 budget prioritized restoring funding to K-12 education to fully fund statutory education formulas, increasing teacher and State employee pay to improve recruitment and retention, and identifying one-time opportunities that would facilitate future year savings or additional economic activity. Changes to the AFY 2022 budget over the original FY 2022 base include:

- $1 billion for the Department of Education for K-12 education, including:
  - $383 million restoration of previous austerity cuts for the K-12 Quality Basic Education funding formula.
  - $188 million for local schools to replace out of cycle school buses (approximately 45% of the total fleet) over three years.
  - $405 million to provide a $2,000 supplement for teachers and support staff.
- Capital and economic investments:
  - $432.5 million for the State prison facility transformation initiative to construct the first new State prison since 2002 thus enabling the State to close three other aging prison facilities.
  - $45 million to consolidate State agency rental space on Capitol Hill, reducing the State's real estate footprint by more than 600,000 square feet.
  - $175 million for vehicle and equipment replacement, facility rehabilitation and repair, and project design funding to reduce the general obligation debt package .
  - $83 million for the Department of Transportation to provide the match for the federal Infrastructure Investment and Jobs Act (IIJA) projects.
  - $112.6 million for land acquisition and development in support of the Rivian, Inc. economic development project.
- Employee retention and recruitment:
  - $556 million to fund a $5,000 cost-of-living adjustment to State and USG employees.
  - $230 million for the State Health Benefits Program.

FY 2023 Budget. The FY 2023 budget revenue estimate assumes tax and total State General Fund revenue growth of two-tenths of one percent (0.2%) compared to the AFY 2022 budget estimate. The FY 2023 budget provides a $2.85 billion general fund increase compared to the original adopted FY 2022 base budget. As in the AFY 2022 budget, the FY 2023 budget prioritizes restoring funding for education, focusing on recruitment and retention efforts for teachers and State employees, and making large investments in the State's infrastructure.

The FY 2023 budget fully funds enrollment changes in the K-12 and higher education systems, providing $43.5 million for K-12 enrollment growth and training and experience, $100 million for enrollment growth and square footage increases for the University System of Georgia, and a $23.4 million reduction to the Technical College System of Georgia as a result of enrollment declines. The budget also adds $388 million to fully restore previous austerity reductions to the Quality Basic Education ("QBE") funding formula. With the restoration of funds for QBE in both the AFY 2022 and FY 2023 budgets, only the FY 2021 budget will have had austerity reductions to QBE as a result of the COVID-19 pandemic included in the final appropriations. The FY 2023 budget also restores the austerity funds cut from both the USG ($230 million) and Technical College System ("TCSG") ($33 million); however, rather than restoring those funds for general operations, the Governor and the General Assembly have directed those systems to utilize the funds to eliminate the Special Institution Fees at State colleges and universities in the USG and to expand instruction capacity in high-cost programs at TCSG. These funds will help to address higher education affordability in both systems while also helping eliminate wait lists to get into in high-demand programs in the TCSG, including health, commercial truck driving, and manufacturing programs.

The FY 2023 budget also provides \$320 million to annualize the \$2,000 pay increase for teachers and support staff and \$612 million to annualize the \$5,000 pay increase for State employees (\$405 million) and USG staff and faculty (\$207 million). The additional funds for teachers will bring their net pay increase to \$5,000 during the last four years. The budget also addresses State employee recruitment and retention by providing \$120 million to fully fund the ADEC payment for the Employees Retirement System, fund the first cost-of-living adjustment since 2008 to retirees in the Employees' Retirement System, increase the 401(k) employer match for employees to as much as nine percent (9%) based on employee tenure and contribution levels, and cover the cost of forfeited leave for employees upon retirement. In addition, the budget includes \$25 million to allow eligible employees to draw up to 40 hours of accrued annual leave as additional take home pay each year.

In addition to investing in the State's workforce, the FY 2023 budget includes a number of investments in the State's physical and technology infrastructure. In addition to \$939 million in new general obligation debt authorizations, the operational budget also includes \$138 million for seven State agencies to fund ongoing capital facility maintenance and repairs which would have been funded through general obligation debt, thus eliminating up to twenty (20) years of interest payments. There also is \$51 million of funding for the Georgia Technology Empowerment Fund ("GTEF"), managed by the Georgia Technology Authority, for next generation information technology projects to reduce future demand on the annual general obligation debt package for these projects. The GTEF initially will be used to update the State's enterprise accounting and human capital management systems utilized by the State Accounting Office and the Department of Administrative Services.

The FY 2023 budget also addresses ongoing healthcare needs in the State. The budget includes \$365 million to fund projected Medicaid growth, but also assumes one final quarter of savings from the Enhanced Federal Medical Assistance Percentage as a result of the pandemic public health emergency. This will require the restoration of approximately \$150 million in the FY 2024 base budget. The budget also includes \$89 million for the Department of Behavioral Health and Developmental Disabilities to expand community-based support programs, increase the State's mental health treatment capacity, and improve staffing at State hospitals and support efforts in implementing HB 1013, a significant mental health bill passed during the 2022 legislative session. The budget also includes \$140 million as part of the ongoing implementation of the Patients First Act to fund the State's reinsurance program and develop the State's health care access website.

Finally, the State also expects to receive \$636 million for State and local governments as a result of the \$26 billion multistate opioid settlement with the nation's three major pharmaceutical distributors - Cardinal, McKesson, and AmerisourceBergen - and opioid manufacturer and marketer Johnson & Johnson. These funds were not included in the FY 2023 budget, but do not have to be appropriated by the legislature and can be amended into the budget throughout the fiscal year as approved by the Governor's Office of Planning and Budget. The Governor has the authority to direct the purposes and initiatives for which these funds will be spent within the requirements of the final settlement agreement.

Budget instructions for the Amended FY 2023 budget and the FY 2024 budget will be issued in July 2022. At that time, initial planning estimates for the Amended FY 2023 budget and the FY 2024 budget will be developed for the Governor's consideration. Those estimates will incorporate a revised outlook based on any legislation passed during the 2022 session of the General Assembly that may impact State revenues and the most recent economic data and projections. In addition, these estimates will factor in FY 2022 actual revenue collections (preliminary, unaudited) as a new baseline for estimating future revenues.

Georgia Revenues
Actual FY 2017 – FY 2021

The following table sets forth actual budget-based State revenues available for appropriation. For preliminary information regarding major tax category and other significant Department of Revenue collections during FY 2022, see the subsequent table titled "Georgia Department of Revenue – FY 2022 Preliminary Unaudited State Revenues" herein. Note: this table and the following three tables dealing with revenues have been revised slightly from the presentations in prior Official Statements to show only those revenue sources of material amounts (material being defined as $50 million and up) and aggregate non-material amounts into an "All Other Interest, Fees and Sales" category with two exceptions, "Net Taxes: Dept. of Revenue Other Taxes" and "Other Funds" (which follows Tobacco Settlement Funds in the table below), for various subtotals and totals to add properly.

Sources	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Net Taxes: Dept. of Revenue					
Income Tax – Individual	$10,977,729,901	$11,643,861,634	$12,176,943,411	$12,408,176,220	$14,220,906,332
Income Tax – Corporate	971,840,713	1,004,297,542	1,271,270,326	1,232,945,217	1,750,734,936
Sales and Use Tax – General	5,715,917,830	5,945,877,598	6,250,309,667	6,174,450,754	6,947,333,127
Motor Fuel	1,740,963,444	1,801,686,710	1,837,953,784	1,873,220,179	1,781,681,914
Tobacco Taxes	220,773,541	224,910,391	223,363,457	225,530,805	242,896,614
Alcoholic Beverages Tax	193,437,999	195,696,036	198,769,659	207,638,435	227,872,484
Motor Vehicle License Tax	368,131,657	398,498,915	388,482,660	379,718,639	406,892,771
Title Ad Valorem Tax	979,494,484	915,854,817	864,630,632	661,388,533	732,156,244
Other Taxes	376,096	606,083	232,863	1,122,551	173,702
Net Taxes: Other Organizations					
Insurance Premium Tax	480,154,181	505,054,096	510,850,096	554,987,011	538,105,773
Total Net Taxes	21,648,819,846	22,636,343,824	23,722,806,555	23,719,178,344	26,848,753,898
Interest, Fees, and Sales					
Department of Revenue					
Transportation Fees	183,158,660	185,640,800	191,476,700	162,567,762	150,977,349
Other Interest, Fees, Sales	379,138,056	396,755,089	387,652,135	382,362,848	434,680,712
Office of the State Treasurer					
Interest on Deposits	42,017,828	90,005,539	162,743,593	138,341,125	14,819,479
Department of Community Health					
Hospital Provider Payments	285,830,266	304,020,295	333,954,831	345,212,831	366,288,929
Nursing Home Provider Fees	156,746,016	161,574,691	154,262,561	168,452,690	152,788,435
Department of Driver Services	99,409,084	95,758,807	100,879,077	80,329,757	91,620,005
Office of Commissioner of Insurance	59,667,796	51,825,682	61,271,724	52,697,122	64,887,009
Department of Natural Resources	52,184,809	59,226,724	61,624,364	67,214,248	60,775,691
Secretary of State	93,424,715	95,724,145	105,220,961	110,382,115	138,350,503
Superior Court Clerks' Cooperative Authority	82,723,158	82,962,937	83,782,187	76,463,988	70,749,879
All Other Interest, Fees and Sales	185,301,279	160,030,743	205,390,015	175,713,616	197,138,383
Total Interest, Fees and Sales	1,619,601,667	1,683,525,452	1,848,258,146	1,759,738,103	1,743,076,374
Total State General Funds	*23,268,421,512*	*24,319,869,276*	*25,571,064,702*	*25,478,916,446*	*28,591,830,272*
Lottery Funds	1,108,123,219	1,157,766,023	1,233,319,151	1,260,347,221	1,546,871,543
Tobacco Settlement Funds	141,256,202	169,773,074	165,919,164	158,310,869	176,072,837
Other Funds	1,601,258	2,090,887	2,714,156	2,464,358	1,813,577
Total State Treasury Receipts	**24,519,402,190**	**25,649,499,261**	**26,973,017,172**	**26,900,038,894**	**30,316,588,230**
Agency Surplus Returned [a]	260,385,409	196,877,269	153,917,971	216,203,878	456,430,380
Mid-Year Adjustment for K-12 Education	222,373,926	232,684,215	243,198,693	255,710,647	254,789,164
TOTAL STATE FUNDS	$25,002,161,526	$26,079,060,745	$27,370,133,837	$27,371,953,418	$31,027,807,774
% Growth of State General Funds from Preceding Year	*4.64%* [b]	*4.52%*	*5.14%*	*-0.36%*	*12.22%*
% Growth of Total State Treasury Receipts from Preceding Year	4.44% [c]	4.61%	5.16%	-0.27%	12.7%

[a] Category renamed "Agency Surplus Returned" from "Funds Transferred from State Organizations" in previous state general obligation bond Official Statements.

[b] *FY 2016 State General Funds Amount: $22,237,392,597;* [c] *FY 2016 State Treasury Receipts Amount*: $23,479,964,889.

Note: Amounts may not add precisely due to rounding.

Source: State Accounting Office's annual *State of Georgia Revenues and Reserves Report* for Fiscal Years Ending June 30, 2017 through 2021.

Georgia Revenues
FY 2022 Amended Budget and FY 2023 Budget

The following table sets forth projected budget-based State revenues available for appropriation for the FY 2022 Amended Budget and the FY 2023 Budget.

Sources	Amended FY 2022	Enacted FY 2023
Net Taxes: Department of Revenue		
Income Tax - Individual	$14,111,594,559	$14,101,897,565
Income Tax - Corporate	1,425,777,257	1,395,555,782
Sales and Use Tax-General	7,305,938,876	7,402,314,196
Motor Fuel	1,954,036,957	2,002,887,881
Tobacco Taxes	240,000,000	237,000,000
Alcoholic Beverages Tax	239,700,000	245,000,000
Motor Vehicle License Tax	390,000,000	370,000,000
Title Ad Valorem Tax	700,000,000	650,000,000
Net Taxes: Other Organizations		
Insurance Premium Tax	550,800,000	560,000,000
Total Net Taxes	26,917,847,649	26,964,655,424
Interest, Fees, Sales - Dept. of Revenue		
Transportation Fees	186,040,355	192,030,719
Other Interest, Fees, and Sales	379,227,600	370,629,808
Office of State Treasurer - Interest on Deposits	16,000,000	17,000,000
Other Fees and Sales:		
Department of Community Health		
Hospital Provider Payment	381,884,720	380,916,567
Nursing Home Provider Fees	160,810,675	162,388,579
Department of Driver Services	76,000,000	76,000,000
Office of the Commissioner of Insurance	54,278,036	66,833,619
Department of Natural Resources	65,231,743	64,231,406
Secretary of State	105,000,000	105,000,000
Superior Court Clerks’ Cooperative Authority	78,000,000	77,000,000
All Other Fees and Sales	153,632,619	156,820,103
Total Interest Fees and Sales	1,656,105,748	1,668,850,801
Total State General Funds	28,573,953,397	28,633,506,225
Lottery Funds	1,322,416,981	1,418,726,951
Tobacco Settlement Funds	148,497,192	148,525,344
Other Funds	1,713,762	1,722,190
Total State Treasury Receipts	**30,046,581,332**	**30,202,480,710**
Other Funds Available for Expenditure:		
Mid-year Adjustment Reserve for Education	285,918,303	-
TOTAL STATE FUNDS	$30,332,499,635	$30,202,480,710

Source: Governor’s Office of Planning and Budget

State Treasury Receipts

The following table sets forth, by category, the State Treasury Receipts available for appropriation for the period FY 2017 through FY 2021.

State Treasury Receipts	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Net Taxes					
Department of Revenue					
Income Tax - Individual	$10,977,729,901	$11,643,861,634	$12,176,943,411	$12,408,176,220	$14,220,906,332
Income Tax - Corporate	971,840,713	1,004,297,542	1,271,270,326	1,232,945,217	1,750,734,936
Sales and Use Tax - General	5,715,917,830	5,945,877,598	6,250,309,667	6,174,450,754	6,947,333,127
Motor Fuel	1,740,963,444	1,801,686,710	1,837,953,784	1,873,220,179	1,781,681,914
Tobacco Products Tax	220,773,541	224,910,392	223,363,457	225,530,805	242,896,614
Alcoholic Beverages Tax	193,437,999	195,696,036	198,769,659	207,638,435	227,872,484
Motor Vehicle License Tax	368,131,657	398,498,915	388,482,660	379,718,639	406,892,771
Title Ad Valorem Tax	979,494,484	915,854,817	864,630,632	661,388,533	732,156,244
Other Taxes	376,096	606,083	232,863	1,122,551	173,702
Total Department of Revenue	21,168,665,664	22,131,289,728	23,211,956,459	23,164,191,332	26,310,648,125
Other Organizations					
Insurance Premium Tax and Fees	480,154,181	505,054,096	510,850,096	554,987,011	538,105,773
Total Net Taxes	21,648,819,846	22,636,343,824	23,722,806,555	23,719,178,343	26,848,753,898
Interest, Fees, and Sales	1,619,601,667	1,683,525,452	1,848,258,146	1,759,738,102	1,743,076,374
Total State General Fund Receipts	23,268,421,512	24,319,869,276	25,571,064,702	25,478,916,446	28,591,830,272
Other Revenues Retained[1]	1,250,980,678	1,329,629,985	1,401,952,471	1,421,122,448	1,724,757,958
Total State Treasury Receipts	$24,519,402,190	$25,649,499,261	$26,973,017,172	$26,900,038,894	$30,316,588,230

[1] Other Revenues Retained include Lottery Funds, Tobacco Settlement Funds, Guaranteed Revenue Debt Common Reserve Fund Earnings, Brain and Spinal Injury Trust Fund, Safe Harbor for Children Trust Fund, and certain Federal Revenues.

Source: State Accounting Office; amounts may not add precisely due to rounding.

Changes in State Treasury Receipts – FY 2020 to FY 2021

The following table sets forth, by category, the changes in actual budget-based revenue available for appropriation for FY 2021 as compared to FY 2020.

State Treasury Receipts	FY 2020	FY 2021	Change ($)	Change (%)
Net Taxes				
Department of Revenue:				
Income Tax – Individual	$12,408,176,220	$14,220,906,332	$1,812,730,112	14.6%
Income Tax – Corporate	1,232,945,217	1,750,734,936	517,789,719	42.0
Sales and Use Tax – General	6,174,450,754	6,947,333,127	772,882,373	12.5
Motor Fuel	1,873,220,179	1,781,681,914	-91,538,265	-4.9
Tobacco Products Tax	225,530,805	242,896,614	17,365,809	7.7
Alcoholic Beverages Tax	207,638,435	227,872,484	20,234,049	9.7
Motor Vehicle License Tax	379,718,639	406,892,771	27,174,132	7.2
Title Ad Valorem Tax	661,388,533	732,156,244	70,767,711	10.7
Other Taxes	1,122,551	173,702	-948,849	-84.5
Total Department of Revenue	23,164,191,332	26,310,648,125	3,146,456,793	13.6
Other Departments:				
Insurance Premium Tax and Fees	554,987,011	538,105,773	-16,881,238	-3.0
Total Net Taxes	23,719,178,344	26,848,753,898	3,129,575,554	13.2
Interest, Fees, and Sales	1,759,738,102	1,743,076,374	-16,661,728	-0.9
Total State General Fund Receipts	25,478,916,446	28,591,830,272	3,112,913,826	12.2
Other Revenues Retained[1]	1,421,122,448	1,724,757,958	303,635,510	21.4
Total State Treasury Receipts	$26,900,038,894	$30,316,588,230	$3,416,549,336	12.7

[1] Other Revenues Retained include Lottery Funds, Tobacco Settlement Funds, Guaranteed Revenue Debt Common Reserve Fund Earnings, Brain and Spinal Injury Trust Fund, Safe Harbor for Children Trust Fund, and certain Federal Revenues.

Source: State Accounting Office; amounts may not add precisely due to rounding.

Summary of Appropriation Allotments

The following table summarizes the appropriation allotment amounts to various areas of State government for the five fiscal years FY 2017 through FY 2021.

Category	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Education	$12,770,159,454	$13,560,480,406	$14,239,025,291	$15,125,169,142	$14,436,013,982
Public Health and Welfare	5,195,042,337	5,327,185,727	5,744,582,403	5,887,670,410	5,617,197,148
Transportation	1,856,251,002	1,939,372,807	1,985,370,127	1,993,429,093	1,930,601,903
Judicial, Penal and Corrections	1,883,891,032	1,933,324,243	1,932,463,799	1,917,787,328	1,860,497,105
Natural Resources	216,814,121	210,574,947	313,328,859	203,448,753	223,239,668
General Obligation Debt Sinking Fund	1,204,689,739	1,210,798,469	1,267,392,608	1,143,272,036	1,342,561,781
General Government	1,201,088,204	1,229,150,856	1,289,153,023	1,160,802,152	1,164,555,686
Total Allotments	$24,327,935,889	$25,410,887,455	$26,771,316,110	$27,431,578,914	$26,574,667,273

Source: State Accounting Office

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FY 2022 Year to Date Unaudited State Revenues – Georgia Department of Revenue

The following table ($ thousands) sets forth preliminary, unaudited net revenue collections, which are subject to change, by the Georgia Department of Revenue in certain categories for the first eleven months (July 1 through May 31) of FY 2021 and FY 2022. There are various other revenues of the State which are not listed below which are collected by other State agencies and remitted to the Office of the State Treasurer. The Georgia Department of Revenue posts the monthly press releases regarding revenue collections on its website.

Tax Revenues[a]:	FY 2021	FY 2022	Change ($)	Change (%)
Income Tax – Individual	$12,927,104	$16,812,269	$3,885,165	30.1%
Income Tax - Corporate	1,424,943	2,030,235	605,292	42.5
Sales and Use Tax – General				
Sales and Use Tax – Gross	12,877,485	15,024,170	2,146,685	16.7
Local Sales Tax Distribution[1]	(6,486,133)	(7,370,152)	(884,019)	-13.6
Sales Tax Refunds/Adjustments	(87,958)	(56,187)	31,771	36.1
Total Net Sales and Use Taxes - General	6,303,394	7,597,831	1,294,437	20.5
Motor Fuel Taxes	1,724,571	1,601,792	(122,778)	-7.1
Tobacco Taxes	221,670	217,950	(3,720)	-1.7
Alcohol Beverages Tax	208,221	208,760	539	0.3
Property Tax	1,216	1,435	220	18.1
Motor Vehicle Revenues				
Highway Impact Fees	17,253	21,472	4,218	24.4
Tag, Title and Fees	367,957	372,960	5,003	1.4
Title Ad Valorem Tax	663,743	728,514	64,771	9.8
Total Motor Vehicle Revenues	1,048,954	1,122,946	73,992	7.1
Total Net Tax Revenues	23,860,071	29,593,218	5,733,147	24.0
Interest, Fees and Sales				
Hotel/Motel Fees	124,371	171,931	47,560	38.2
Other Interest, Fees, & Sales[2]	412,641	471,666	59,025	14.3
Total Interest, Fees, and Sales	537,012	643,597	106,585	19.8
Total Taxes and Other Revenues	$24,397,084	$30,236,816	$5,839,732	23.9

[a] Due to different extended filing deadlines for individual and corporate income tax returns for 2020 and 2021, year to date comparisons likely will be less directly comparable than for years prior to 2019. The deadline for filing returns for 2020 were extended to May 17, 2021, while the deadline for returns for 2021 were not extended beyond the normal due date of April 18, 2022.
[1] The Local Distribution is adjusted with an accrual to reflect payment activity that occurs after the actual distribution (three (3) business days prior to the end of a month).
[2] "Other Interest, Fees, and Sales" include payments that have been deposited in the bank, but for which returns may not yet have been processed. These undistributed amounts are then re-classified (once the return is processed) to the appropriate tax revenue account. "Other Fees" also includes Unclaimed Property collections.

Note: Amounts may not add precisely due to truncating amounts less than $1,000.
Source: State of Georgia Department of Revenue

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Monthly Cash Investments

The following table ($ in millions) sets forth the month ending cash investments of State fund balances in the State Treasury for FY 2017 through FY 2022.

Month	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
July	$4,781	$5,899	$6,368	$6,997	$10,830	$16,301
August	5,069	5,835	6,602	7,126	11,091	16,614
September	5,534	6,092	6,876	7,375	11,356	17,778
October	4,999	5,583	6,245	6,836	10,731	17,350
November	4,938	5,538	6,302	6,603	10,820	17,685
December	5,374	5,895	6,678	6,972	10,501	18,025
January	5,732	6,815	6,984	7,342	11,599	19,151
February	5,120	5,916	6,086	6,553	11,510	19,182
March	5,131	5,856	5,957	6,470	11,280	20,083
April	5,758	6,553	7,256	9,969	12,139	22,411
May	5,789	6,482	7,088	9,541	15,381	21,761
June	6,098	6,719	7,421	9,736	16,344	NA

Note: Balances (i) exclude investments in the Lottery for Education Reserve, Brain and Spinal Injury Trust Fund, Guaranteed Revenue Debt Common Reserve, unspent bond funds including any unspent general obligation bond funds, and previously drawn allotment balances held in state agency accounts, and (ii) include both the RSR and certain state agency funds invested by the Treasury for and on behalf of the state agencies, such as Georgia Department of Transportation funds, which state agency funds may not be readily available for use by Treasury. On any given day, the amount available for use by Treasury may be significantly less than the amounts reflected above, which are as of the last day of the month.

Source: Office of State Treasurer

The large increases in State fund balances in April 2020 and May 2021 are due to federal COVID response funds transferred to the State by the U.S. Treasury. In April 2020, the State received approximately $3.5 billion from the Coronavirus Relief Fund established by the federal government under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). In May 2021, the State received $439 million for non-entitlement units of local governments for the Local Fiscal Recovery Fund ("LFRF") and $2.4 billion for the State Fiscal Recovery Fund ("SFRF"). Although not shown in the table above, on June 3, 2022 approximately $2.427 billion of additional SFRF funding was received and no additional funding is expected from this source. Also, on June 6, 2022, approximately $431 million of additional LFRF funding was received and no additional funding is expected from this source.

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RETIREMENT SYSTEMS

Introduction

The State administers various retirement plans under two major retirement systems: the Employees' Retirement System of Georgia ("ERS"), which administers multiple retirement plans for various employer entities of the State, and the Teachers Retirement System of Georgia ("TRS"), which administers a retirement plan for teachers in State public schools, the University System of Georgia, and certain other employees in legislatively designated educational agencies. ERS and TRS are referred to herein, collectively, as the "Systems." The ERS retirement plan for State employees in the executive branch is the most significant of the defined benefit pension plans operated by ERS. Statistical information included herein regarding ERS is limited to the plan for State employees in the executive branch. As of June 30, 2021, the combined net position of the TRS retirement plan and the ERS retirement plans, which cover the State employees in the executive branch, comprise approximately 96.2% of the net position of the State's fifteen (15) defined benefit pension plans. For additional information on the two largest retirement plans, including details regarding benefit eligibility, benefit formula and employee contributions rates, see Note 15, "Retirement Systems," in APPENDIX B hereto. The retirement plans are subject, in general, to the provisions of Title 47 of Official Code of Georgia and, in particular, Chapter 2 (ERS) and Chapter 3 (TRS). The retirement plans administered by the Systems are the subject of annual actuarial valuations. In the opinion of the actuary for the Systems, as of June 30, 2021, each of ERS and TRS are operating on an actuarially sound basis and in conformity with minimum funding standards of Georgia law.

According to the most recent actuarial valuation of ERS, as of June 30, 2021, the funded ratio (actuarial value of assets ("AVA") / actuarial accrued liability ("AAL")) declined to 71.6% as compared to 73.8% as of June 30, 2020 and the unfunded actuarial accrued liability ("UAAL") as a percentage of covered payroll also worsened, to 230.1% as compared to 184.4% as of June 30, 2020.

According to the most recent actuarial valuation of TRS, as of June 30, 2021, the funded ratio increased to 81.3% as compared to 76.2% as of June 30, 2020 and the UAAL as a percentage of covered payroll improved to 170.1% as compared to 200.6% as of June 30, 2020.

ERS and TRS each received 100% of its respective Actuarially Determined Employer Contribution ("ADEC") for FY 2020 and FY 2021. For FY 2022 and FY 2023, both the ERS and the TRS ADEC payments are budgeted at 100%. ADEC payments are funded from the variety of sources which comprise State General Fund appropriations, as well as federal, local, and other sources.

The pension disclosures rely on information produced by the pension plans and their independent accountants and actuaries. Actuarial assessments are "forward-looking" valuation estimates that reflect the judgment of the fiduciaries of the retirement plans. Actuarial assessments are based upon a variety of assumptions, one or more of which may prove to be inconsistent with subsequent events or be changed in the future, and will change with the future experience of the retirement plans.

Statutory Requirements Regarding Retirement Benefit Changes with Fiscal Impacts

Pursuant to O.C.G.A § 47-20-34, any retirement bill having a fiscal impact may only be introduced in the first term of the regular biennial session of the General Assembly. If a majority of the standing retirement committee in the House or the Senate wishes to consider the bill further and votes in favor of an actuarial investigation of the bill, an actuarial investigation shall be required. O.C.G.A. § 47-20-34 also requires that any such retirement bill may be passed during the second year of the regular biennial session. Pursuant to O.C.G.A. § 47-20-50, any retirement bill having a fiscal impact which is enacted by the General Assembly and which is approved by the Governor or which otherwise becomes law shall become effective on the first day of July immediately following the regular session during which it was enacted, but only if the enacted bill is concurrently funded. If an enacted bill, including one approved by the Governor, is not certified by the State Auditor to be concurrently funded, then such bill may not become effective as law and shall be null, void, and of no force and effect and shall stand repealed in its entirety on the first day of July immediately following its enactment.

System Membership and Beneficiary Information

ERS was created in 1949 by an act of the General Assembly to provide benefits for employees of the State and is managed by a seven-member Board of Trustees (the "ERS Board") comprised of the State Auditor (ex-officio), the State Treasurer (ex-officio), the Commissioner of the Department of Administrative Services (ex-officio), one appointee of the Governor and three appointees of the ERS Board. TRS was created in 1943 by an act of the General Assembly to provide benefits for qualifying teachers, including teachers of the USG, and is managed by a ten-member Board of Trustees (the "TRS Board") comprised of the State Auditor (ex-officio), the State Treasurer (ex-officio), five appointees of the Governor, two appointees of the TRS Board and one appointee of the Board of Regents. The ERS and TRS plans are cost-sharing multiple employer defined benefit plans. The ERS plan for State employees consists of 406 employers, of which 405 are not in the State reporting entity. TRS consists of 321 employers, of which 320 are not in the State reporting entity. The preceding counts treat the primary government and its component units as one employer. Membership in the plans as of June 30, 2021 is shown below.

	ERS	TRS
Retirees and beneficiaries currently receiving benefits	54,059	139,813
Terminated employees entitled to benefits, but not yet receiving benefits, vested	60,154	14,366
Terminated employees, non-vested	6,620	107,650
Active plan members	53,330	227,953
Total	174,163	489,782

Sources: ERS and TRS Audited Financial Statements

For FY 2021, both ERS and TRS benefitted from significantly higher investment earnings than had been the case in more recent years. According to the ERS audited financial statements as of June 30, 2021, ERS additions (consisting of member and employer contributions and net investment earnings for the year) totaled $4,494,585,000 compared to $1,383,544,000 for FY 2020 and ERS disbursements (consisting of benefit payments, member refunds, and administrative expenses for the year) totaled $1,448,966,000 compared to $1,498,730,000 for FY 2020. According to the TRS audited financial statements as of June 30, 2021, TRS additions (consisting of member and employer contributions, net investment earnings and unrealized appreciation for the year) totaled $26,505,378,000 compared to $7,659,291,000 for FY 2020)and TRS disbursements (consisting of benefit payments, member refunds, and administrative expenses for the year) totaled $5,520,248,000 compared to $5,286,670,000 for FY 2020.

Not all employers that comprise TRS participate in the Federal Social Security System (SSA) as some employers decided in the past not to join SSA; some of these employers created 403(b)-type retirement plans for their employees in lieu of joining SSA. Since this decision not to join SSA was made at the local employer level, it has no bearing on either the State or TRS.

Obligations and Funded Status

The State reports the funded status for each of the retirement plans "as a whole" using a smoothing method to calculate each retirement plan's actuarial value of assets ("AVA"). Under this method, changes in the market value of assets ("MVA") are recognized over a period of years. For a more detailed explanation regarding methods and procedures which impact the following tables, see "Actuarial Methods and Assumptions" below. The retirement plans are the subject of five-year experience studies by actuarial firms and various assumptions and methods have been revised to reflect the results of such studies. The most recent experience study for ERS was completed for the five-year period ending June 30, 2019 with results first reflected in the June 30, 2020 valuation. For TRS, the most recent experience study was completed for the five-year period ending June 30, 2018 with results first reflected in the June 30, 2019 valuation.

Historical Funding Progress
Actuarial Value (Smoothed)
($ in thousands)

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) – Entry Age	Unfunded AAL (UAAL) (AAL – AVA)	Funded Ratio (AVA/AAL)	Annual Covered Payroll	UAAL as % of Annual Covered Payroll
ERS						
6/30/2021	$14,383,600	$20,085,695	$5,702,095	71.6%	$2,477,691	230.1%
6/30/2020	13,556,622	18,375,797	4,819,175	73.8	2,612,773	184.4
6/30/2019	13,481,219	17,829,220	4,348,001	75.6	2,611,965	166.5
6/30/2018	13,412,046	17,812,441	4,400,395	75.3	2,634,129	167.1
6/30/2017	13,088,185	17,514,898	4,426,713	74.7	2,546,492	173.8
6/30/2016	12,854,518	17,199,688	4,345,170	74.7	2,384,358	182.2
6/30/2015	12,675,649	17,099,527	4,423,878	74.1	2,352,920	188.0
6/30/2014	12,376,120	16,991,963	4,615,843	72.8	2,315,625	199.3
6/30/2013[a]	12,129,804	16,982,449	4,852,645	71.4	2,335,773	207.8
6/30/2012	12,260,595	16,777,922	4,517,327	73.1	2,414,884	187.1
TRS						
6/30/2021	$94,048,970	$115,703,567	$21,654,597	81.3%	$12,728,936	170.1%
6/30/2020	81,632,571	107,188,775	25,556,204	76.2	12,737,375	200.6
6/30/2019	78,126,922	101,839,399	23,712,477	76.7	11,882,828	199.6
6/30/2018	75,024,364	96,905,253	21,880,889	77.4	11,704,334	186.9
6/30/2017	71,212,660	95,981,031	24,768,371	74.2	11,333,997	218.5
6/30/2016	68,161,710	91,721,775	23,560,065	74.3	10,783,277	218.5
6/30/2015	65,514,119	82,791,010	17,276,891	79.1	10,347,332	167.0
6/30/2014	62,061,722	75,772,117	13,710,395	81.9	9,993,686	137.2
6/30/2013[b]	58,594,837	72,220,865	13,626,028	81.1	9,924,682	137.3
6/30/2012	56,262,332	68,348,678	12,086,346	82.3	10,036,023	120.4

[a] Setting the AVA to equal the MVA as of June 30, 2013 as described under the heading "Actuarial Methods and Assumptions" below, resulted in a net increase of the AVA of approximately $128.3 million as of June 30, 2013. Absent such action, the AVA as of June 30, 2013 would have been approximately $12.002 billion and the funded ratio as of June 30, 2013 would have been 70.67%.

[b] Setting the AVA to equal the MVA as of June 30, 2013 as described under the heading "Actuarial Methods and Assumptions" below, resulted in a net increase of the AVA of approximately $926.7 million as of June 30, 2013. Absent such action, the AVA as of June 30, 2013 would have been approximately $57.668 billion and the funded ratio as of June 30, 2013 would have been 79.85%.

Sources: ERS and TRS actuarial reports.

For comparative purposes, the funded status of the ERS and TRS plans for the ten most recent actuarial valuation dates, using the MVA instead of the AVA, is presented in the following table.

Historical Funding Progress
Market Value
($ in thousands)

Valuation Date	Market Value of Assets (MVA)	Actuarial Accrued Liability (AAL) – Entry Age	Unfunded AAL (UAAL) (AAL – MVA)	Funded Ratio (MVA / AAL)	Annual Covered Payroll	UAAL as % of Annual Covered Payroll
ERS						
6/30/2021	$16,547,905	$20,085,695	3,537,790	82.4%	$2,477,691	142.8%
6/30/2020	13,502,286	18,375,797	4,873,511	73.5	2,612,773	186.5
6/30/2019	13,617,472	17,829,220	4,211,748	76.4	2,611,965	161.2
6/30/2018	13,517,186	17,812,441	4,295,255	75.9	2,634,129	163.1
6/30/2017	13,098,299	17,514,898	4,416,599	74.8	2,546,492	173.4
6/30/2016	12,373,567	17,199,688	4,826,121	71.9	2,384,358	202.4
6/30/2015	12,967,964	17,099,527	4,131,563	75.8	2,352,920	175.6
6/30/2014	13,291,531	16,991,963	3,700,432	78.2	2,315,625	159.8
6/30/2013	12,129,804	16,982,449	4,852,645	71.4	2,335,773	207.8
6/30/2012	11,537,408	16,777,922	5,240,514	68.8	2,414,884	217.0
TRS						
6/30/2021	$102,146,688	$115,703,567	$13,556,879	88.3%	$12,728,936	106.5%
6/30/2020	81,161,558	107,188,175	26,026,617	75.7	12,737,375	204.3
6/30/2019	78,788,937	101,839,399	23,050,462	77.4	11,882,828	194.0
6/30/2018	75,532,925	96,905,253	21,372,328	77.9	11,704,334	182.6
6/30/2017	71,340,972	95,981,031	24,640,059	74.3	11,333,997	217.4
6/30/2016	65,552,411	91,721,775	26,169,364	71.5	10,783,277	242.7
6/30/2015	66,799,111	82,791,010	15,991,899	80.7	10,347,332	154.5
6/30/2014	66,466,091	75,772,117	9,306,026	87.7	9,993,686	93.1
6/30/2013	58,594,837	72,220,865	13,626,028	81.1	9,924,682	137.3
6/30/2012	53,487,149	68,348,678	14,861,529	78.3	10,036,023	148.1

Sources: ERS and TRS actuarial reports. Underlying actuarial data was used for purposes of percentage calculations.

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The following table presents a comparison of the AVA to the MVA, the ratio of the AVA to the MVA and the funded ratio based on AVA compared to funded ratio based on MVA.

Funding Progress Comparison
($ in thousands)

Valuation Date	Actuarial Value of Assets (AVA)	Market Value of Assets (MVA)	% of AVA to MVA	Funded Ratio (AVA)	Funded Ratio (MVA)
ERS					
6/30/2021	$14,383,600	$16,547,905	86.9%	71.6%	82.4%
6/30/2020	13,556,622	13,502,286	100.4	73.8	73.5
6/30/2019	13,481,219	13,617,472	99.0	75.6	76.4
6/30/2018	13,412,046	13,517,186	99.2	75.3	75.9
6/30/2017	13,088,185	13,098,299	99.9	74.7	74.8
6/30/2016	12,854,518	12,373,567	103.9	74.7	71.9
6/30/2015	12,675,649	12,967,964	97.7	74.1	75.8
6/30/2014	12,376,120	13,291,531	93.1	72.8	78.2
6/30/2013[a]	12,129,804	12,129,804	100.0	71.4	71.4
6/30/2012	12,260,595	11,537,408	106.3	73.1	68.8
TRS					
6/30/2021	$94,048,970	$102,146,688	92.1%	81.3%	88.3%
6/30/2020	81,632,571	81,161,558	100.6	76.2	75.7
6/30/2019	78,126,922	78,788,937	99.2	76.7	77.4
6/30/2018	75,024,364	75,532,925	99.3	77.4	77.9
6/30/2017	71,212,660	71,340,972	99.8	74.2	74.3
6/30/2016	68,161,710	65,552,411	104.0	74.3	71.5
6/30/2015	65,514,119	66,799,111	98.1	79.1	80.7
6/30/2014	62,061,722	66,466,091	93.4	81.9	87.7
6/30/2013[b]	58,594,837	58,594,837	100.0	81.1	81.1
6/30/2012	56,262,332	53,487,149	105.2	82.3	78.3

Sources: ERS and TRS actuarial reports. Underlying actuarial data was used for purposes of percentage calculations.

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Financial Reporting of Net Pension Liability

ERS and TRS implemented GASB Statement No. 67 ("GASB 67") beginning with their Comprehensive Annual Financial Statements for the fiscal year ended June 30, 2014. For additional information, refer to Note 15, "Retirement Systems," in APPENDIX B hereto. GASB 67 superseded previous guidance for the financial reports of pension plans by, among other things, requiring additional disclosure in the notes to financial statements and in required supplementary information; it also provides guidance regarding the calculation of the net pension liability (NPL) as the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service, using new parameters) and the fiduciary net position (consisting mostly of investments reflected at fair value). These disclosures are reported in accordance with accounting standards, not funding standards, and do not change the actuarial methods or assumptions that ERS and TRS use for their actuarial valuations to determine the funding status of the plans.

Net Pension Liability
($ in thousands)

Fiscal Year	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)	Fiduciary Net Position as Percentage of Total Pension Liability (FNP/TPL)	Covered Payroll[a]	Net Pension Liability as Percentage of Covered Payroll
ERS						
6/30/2021	$18,886,809	$16,547,905	$2,338,904	87.6%	$2,480,422	94.3%
6/30/2020	17,717,243	13,502,286	4,214,957	76.2	2,614,856	161.2
6/30/2019	17,744,003	13,617,472	4,126,531	76.7	2,615,491	157.8
6/30/2018	17,628,219	13,517,186	4,111,033	76.7	2,635,896	156.0
6/30/2017	17,159,634	13,098,299	4,061,335	76.3	2,565,918	158.3
6/30/2016	17,103,987	12,373,567	4,730,420	72.3	2,390,457	197.9
6/30/2015	17,019,362	12,967,964	4,051,398	76.2	2,353,225	172.2
6/30/2014	17,042,149	13,291,531	3,750,618	78.0	2,335,773	160.6
6/30/2013 [b]	16,982,449	12,129,804	4,852,645	71.4	2,335,773	207.8
TRS						
6/30/2021	$110,991,021	$102,146,688	$8,844,333	92.0%	$13,093,006	67.6%
6/30/2020	105,385,472	81,161,558	24,223,914	77.0	12,955,620	187.0
6/30/2019	100,291,641	78,788,937	21,502,704	78.6	12,279,440	175.1
6/30/2018	94,095,067	75,532,925	18,562,142	80.3	12,009,066	154.6
6/30/2017	89,926,280	71,340,972	18,585,308	79.3	11,596,664	160.3
6/30/2016	86,183,526	65,552,411	20,631,115	76.1	11,075,907	186.3
6/30/2015	82,023,118	66,799,111	15,224,007	81.4	10,697,384	142.3
6/30/2014	79,099,772	66,466,091	12,633,681	84.0	10,349,862	122.1
6/30/2013 [b]	76,019,717	58,594,837	17,424,880	77.1	10,345,916	168.4

[a] Covered Payroll may not equal the amount shown as Annual Covered Payroll in the previous table "Historical Funding Progress – Market Value ($ in thousands)," which amounts present "snapshots" of the annualized compensation of the active members as of the dates of the respective valuations. As shown in this "Net Pension Liability" table, Covered Payroll represents the actual payroll during the fiscal years upon which the employer contributions were made.
[b] Since GASB Statement No. 67 was not effective for FY 2013, the FY 2013 audited financial statement and the actuary's GASB Statement No. 67 Report as of June 30, 2014 was used to report the FY 2013 information.
Sources: ERS and TRS audited financial statements.

The TRS audited financial statements show a net position restricted for pensions as of June 30, 2021 of approximately $102.1 billion, an increase of 25.9% from the June 30, 2020 net position restricted for pensions of approximately $81.2 billion; this increase primarily was due to positive equity market investment returns. FY 2022 year to date as of May 31, 2022, TRS had a net position restricted for pensions of approximately $93.2 billion (interim, unaudited), a decrease of approximately 8.7% from the June 30, 2021 net position restricted for pensions.

The ERS audited financial statements show a net position restricted for pensions as of June 30, 2021 of approximately $16.5 billion, an increase of 22.6% from the June 30, 2020 net position restricted for pensions of approximately $13.5 billion; this increase primarily was due to positive equity market investment returns. FY 2022 year to date as of May 31, 2022, ERS had a net position restricted for pensions of approximately $14.7 billion (interim, unaudited), a decrease of approximately 10.8% from the June 30, 2021 net position restricted for pensions.

Investment Fund Management

ERS and TRS are governed by Boards of Trustees with broad statutory powers including the power to invest and reinvest the assets of ERS and TRS, respectively. The investment functions of the Systems are vested in these Boards as set forth in Georgia law (O.C.G.A. § 47-2-31 and § 47-3-27). Each Board of Trustees elects an Investment Committee as set forth in the By-Laws of the said Board of Trustees. Investments for ERS and TRS are under the day-to-day management of the Division of Investment Services ("DIS"). In the domestic equity portion of the fund, the DIS utilizes different styles of management. Passive (index based) management is utilized as a low cost, low benchmark risk strategy for a core portion of the equity assets. Active management of the common stock portfolio is based on the belief that active management can enhance returns to the fund while maintaining the same conservative investment policy which is the guiding principle behind the investment of all of the System's assets. The DIS also employs investment advisory firms to assist in common stock management. Each such advisory firm is evaluated on both qualitative and quantitative criteria. As a minimum, an advisory firm must meet the following criteria:

1. Advisory firms shall have a five-year composite performance record that complies with AIMR-PPS or its successor organization and standards.

2. Assets under management of at least three billion dollars except assets under management shall be at least $750 million for small or mid-capitalization advisory firms.

3. In all cases, the portfolio of either ERS or TRS allocated to the advisory firm shall not exceed twenty-five percent (25%) of the advisory firm's total assets under management. Additionally, the combined assets of ERS and TRS allocated to the advisory firm shall not exceed thirty-five (35%) of the advisory firm's total assets under management.

4. In choosing advisory firms, the credentials of the advisory firm shall be considered including consideration of the number of CFAs, the performance record of the firm, and the stability of the advisory firm's personnel.

5. Advisory firms shall respond promptly to queries offered by the DIS. Advisory firms are subject to the related procedures and reporting promulgated by the DIS.

6. In the event that two advisory firms are equally capable, an advisory firm with an office located in the State will be given preference.

The DIS maintains a "Master Approved List of Common Stocks" eligible for investment of pension funds. The Master Approved List contains a current list of companies which are considered to meet a level of risk and potential return suitable for the Systems. DIS undertakes an ongoing analysis of issuers of common stock and adds or removes companies from the Master Approved list based upon a variety of screening criteria. The Master Approved List assists the Investment Committee in its approval process by providing a population of eligible companies which have been thoroughly screened by DIS research analysts.

The Investment Committee reviews asset allocation decisions and the equity portfolio mix on a yearly basis. There may, however, be interim allocation decisions due to market or other conditions when rebalancing is necessary. The Investment Committee has authorized the Chief Investment Officer and the Co-Chief Investment Officers to move up to two percent (2%) of the market value of the respective portfolios among asset classes between Investment Committee meetings.

Asset Allocation

Permissible investments of the Systems are set forth in the Public Retirement Systems Investment Authority Law (O.C.G.A. § 47-20-80 through O.C.G.A. § 47-20-86). In accordance with O.C.G.A. § 47-20-84, the investment assets of the Systems are prohibited from being allocated more than 75% to equity securities. Accordingly, current policy is to maintain equity exposure on a cost basis between 55% and 75% and fixed income between 25% and 45%. The cost of investments is computed using the original cost of equity securities and the amortized cost of bonds, which means that premiums and discounts are recognized totally over the life of the bonds.

Fixed-income investments include both bonds and mortgages of various types selected on the basis of return, quality, marketability, and overall suitability to the System's portfolio. Equity investments include both domestic and international equities and allow for maximization of total return. Real estate assets of the Systems are limited and restricted by law solely to any structure occupied by the System and to real property acquired through judicial foreclosure of mortgage loans owned and held by such System at time of foreclosure, or by any other judicial or court action that assigns ownership of real property to the System. It is the policy of each System to make every effort to sell or otherwise dispose of all such property except that of any structure occupied by such System within five years of date of acquisition. Effective July 1, 2012 and January 1, 2021, ERS and TRS, respectively, are permitted to invest in alternative investment instruments, such as private placements and private placement investment pools, as described in and permitted by O.C.G.A. § 47-20-87; provided, however, that such alternative investments shall not in the aggregate exceed five percent (5%) of the assets of ERS and TRS (each System independently of the other), at any time.

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The following table presents the annualized rates of return (net of fees) of ERS and TRS through FY 2021.

Historical Rates of Return

	ERS	TRS
1 year	29.36%	29.19%
3 years	13.41	13.30
5 years	12.36	12.26
10 years	9.85	9.78
20 years	7.42	7.38
30 years	8.88	8.89

Source: Division of Investment Services, ERS and TRS.

The rates of return presented in the table above are "time-weighted rates of return" which reflect investment performance. The percentages above are derived by taking the ending daily plan balance, adjusted for contributions and distributions, and then dividing by beginning daily plan balance (with each daily result then linked together to provide for an annual return). For information on "money-weighted rates of return" for ERS and TRS, which is equivalent to an "internal rate of return" that just compares a beginning balance with an ending balance, see Note 15, "Retirement Systems," in APPENDIX B herein.

The following table presents a comparison of the assumed investment rate of return for each of ERS and TRS and the actual time-weighted investment rate of return for each of ERS and TRS for the last ten years.

Historical Rates of Return

Fiscal	ERS		TRS	
Year	Assumed	Actual	Assumed	Actual
2021	7.20%	29.36%	6.90%	29.19%
2020	7.30	5.48	7.25	5.42
2019	7.30	6.90	7.25	6.80
2018	7.30	9.18	7.25	8.95
2017	7.40	12.43	7.50	12.50
2016	7.50	1.40	7.50	1.37
2015	7.50	3.74	7.50	3.70
2014	7.50	17.29	7.50	17.17
2013	7.50	13.33	7.50	13.28
2012	7.50	2.19	7.50	2.16

Source: Division of Investment Services, ERS, and TRS.

Status of Actuarially Determined Employer Contributions

ERS is a multi-employer plan; however, State General Fund appropriations are the source for the majority of the ADEC payments. According to O.C.G.A. § 47-2-55, ADEC payments for ERS are borne by appropriations from State and federal funds. O.C.G.A. § 47-2-57 specifies that, on or before June 1 of each year, the normal cost and unfunded accrued liability contribution rates, determined based on the last annual actuarial valuation, are to be certified by the ERS Board to each employer. Each employer is required to make provision in its annual budget for funds with which to pay to the ERS an amount equal to the normal cost and unfunded accrued liability contributions on the earnable compensation of all such employer's eligible members.

TRS is a multi-employer plan; however, the employer contributions for TRS are comprised of funds from State General Fund appropriations, local school districts, colleges, and universities, and federal and other funds. O.C.G.A. § 47-3-48 specifies that, thirty (30) days prior to the time when the State Board of Education fixes the minimum schedule of teacher salaries for the ensuing year, the normal cost and unfunded accrued liability contribution rates, determined based on the last annual actuarial valuation, are to be certified by the TRS Board to each employer. Each employer (other than the Board of Regents) is required to make provision in its annual budget submitted to the State School Superintendent for funds with which to pay to the TRS an amount equal to the normal cost and unfunded accrued liability contributions on the earnable compensation of all such employer's eligible members. The Board of Regents in its estimates of funds necessary for the operation of its units submitted to the General Assembly is to include a request for an appropriation payable to the TRS Board in an amount equal to its portion of the normal cost and unfunded accrued liability contributions and the General Assembly is to make an appropriation to the TRS Board sufficient to provide for such contributions as a part of the earnable compensation of such employer's eligible members.

The following table indicates, on a fiscal year basis, the ADEC for ERS and TRS, the portion of the ADEC funded by organizations in the State reporting entity, any amount unfunded, and the portion of the ADEC funded by organizations in the State reporting entity as a percentage of total State General Fund appropriations. (For additional information about the State reporting entity, refer to Note 1.B. *Financial Reporting Entity*, in APPENDIX B hereto.) Employer offsets are not included in the amounts provided below and are not available. An employer offset exists under the ERS plan for employees who maintain membership with ERS based upon employment that started prior to July 1, 1982 (old plan members). The old plan offset as of June 30, 2021 is 4.75% of covered compensation paid by the employer on behalf of employees. As described under the heading "Projected Annual Actuarially Determined Employer Contributions," however, it is expected that a portion of the ADEC payments made to ERS and TRS by entities not within the State reporting entity are derived from State General Fund appropriations. See "Projected Annual Actuarially Determined Employer Contributions" below.

(Table shown on the following page - the remainder of this page has been left blank intentionally.)

State Reporting Entity Impact
ERS Annual Contribution Status
($ in thousands)

Fiscal Year	ADEC	Amount Unfunded[a]	State Reporting Entity Portion of ADEC[b]	State Reporting Entity Portion Amount Unfunded	State Reporting Entity Portion as a % of State General Fund Appropriations
2021	$615,967	$ -	$537,017	-	2.14%
2020	643,857	-	592,131	-	2.27
2019	649,209	-	593,167	-	2.32
2018	650,073	(2,094)	596,729	-	2.47
2017	624,623	(658)	551,590	-	2.38
2016	595,124	(442)	518,281	-	2.36
2015	517,220	(943)	452,708	-	2.26
2014	428,982	(770)	373,127	-	1.95
2013	358,376	(616)	306,738	-	1.68
2012	273,623	(411)	238,738	-	1.37

[a] Subsequent to the actuarial valuation as of June 30, 2009, ERS determined that an employer group - Locally Elected Tax Commissioners - within ERS had not contributed its required contribution and the financial statements were restated. Combined with an additional shortfall of $5,262,000 for the same employer group in years prior to FY 2001, the total deficit of $6,159,000 was expected to be repaid over ten years. Repayment of the deficit commenced in October 2011 and amounts shown in the "Amounts Unfunded" column for FY 2012 through FY 2018 represent such repayments. The repayment was completed during FY 2018, approximately three years ahead of the original schedule.
[b] Amounts reflect the portion of the ADEC funded by organizations within the State reporting entity and consist of State, federal and other monies.

Sources: ERS audited financial statements, ERS actuarial reports, State of Georgia annual comprehensive financial reports, and the Governor's Budget in Brief.

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State Reporting Entity Impact
TRS Annual Employer Contribution Status
($ in thousands)

Fiscal Year	ADEC	Amount Unfunded	State Reporting Entity Portion of ADEC[a]	State Reporting Entity Portion Amount Unfunded	State Reporting Entity Portion as a % of State General Fund Appropriations
2021	$2,495,527	-	$418,892	-	1.67%
2020	2,738,818	-	473,649	-	1.82
2019	2,566,403	-	447,990	-	1.75
2018	2,018,724	-	349,152	-	1.45
2017	1,654,844	-	283,994	-	1.23
2016	1,580,532	-	269,656	-	1.23
2015	1,406,706	-	239,464	-	1.20
2014	1,270,963	-	214,220	-	1.12
2013	1,180,469	-	194,804	-	1.06
2012	1,082,224	-	175,588	-	1.01

[a] Amounts reflect the portion of the ADEC funded by organizations within the State reporting entity and consist of State, federal and other monies. Certain amounts funded by other entities, however, are derived from State appropriations.
Sources: TRS audited financial statements, TRS actuarial reports, State of Georgia annual comprehensive financial reports, and the Governor's Office of Planning and Budget.

Contribution Rate Structure

Actuarially determined employer contribution rates for ERS and TRS for FY 2022, FY 2023, and FY 2024 are as shown in the following table. The employer contribution rate structures of ERS and TRS are established by their respective Boards of Trustees under statutory guidelines, including requirements for the minimum annual contributions necessary to ensure the actuarial soundness of ERS and TRS (see O.C.G.A. § 47-20-10). 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 plan" or "new plan," are members of the Georgia State Employees' Pension and Savings Plan "GSEPS." ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to the GSEPS plan. Employer offsets are the portion of the employees' required contribution to the pension system that the employer makes on the employees' behalf. An employer offset exists under the ERS plan for old plan members.

(Table shown on following page – the remainder of this page has been left blank intentionally.)

Employer Contributions Expressed as a % of Covered Compensation	ERS Old Plan	ERS New Plan	ERS GSEPS	TRS
For FY 2022				
Normal Cost	6.23%			
Less Employer Offset	-4.75			
Employer Normal Cost	1.48	6.23%	3.17%	7.45%
UAAL	18.40	18.40	18.40	12.36
Total Rate	19.88%	24.63%	21.57%	19.81%
For FY 2023				
Normal Cost	6.40%			
Less Employer Offset	-4.75			
Employer Normal Cost	1.65	6.40%	3.32%	7.35%
UAAL	18.27	18.27	18.27	12.63%
Total Rate	19.92%	24.67%	21.59%	19.98%
For FY 2024				
Normal Cost	7.29%			
Less Employer Offset	-4.75			
Employer Normal Cost	2.54	7.29%	3.45%	8.66%
UAAL	22.06	22.06	22.06	11.32%
Total Rate	24.60%	29.35%	25.51%	19.98%

Sources: ERS and TRS actuarial reports.

Employee contribution rates for ERS and TRS for FY 2022, FY 2023, and FY 2024 are as shown in the following table. Employee contribution rates for ERS are fixed by statute. The TRS Board may establish employee rates between 5.00% and 6.00%.

Employee Contributions Expressed as a % of Salary	ERS Old Plan	ERS New Plan	ERS GSEPS	TRS
FY 2022				
Pension contribution	6.00%	1.25%	1.25%	6.00%
Group Term Life Insurance contribution	0.50%	0.25%	Not Covered	Not Covered
Employer Off-set	5.00%			
Total percent of pay contributed	1.50%	1.50%	1.25%	6.00%
FY 2023				
Pension contribution	6.00%	1.25%	1.25%	6.00%
Group Term Life Insurance contribution	0.50%	0.25%	Not Covered	Not Covered
Employer Off-set	5.00%			
Total percent of pay contributed	1.50%	1.50%	1.25%	6.00%
FY 2024				
Pension contribution	6.00%	1.25%	1.25%	6.00%
Group Term Life Insurance contribution	0.50%	0.25%	Not Covered	Not Covered
Employer Off-set	5.00%			
Total percent of pay contributed	1.50%	1.50%	1.25%	6.00%

Sources: ERS and TRS actuarial reports.

Projected Annual Actuarially Determined Employer Contributions

The following tables indicate, for the applicable fiscal and valuation years, commencing with FY 2022 and the valuation year ending June 30, 2019, the projected ADEC for ERS and TRS based on the estimated normal costs of benefits and the payments made to amortize the estimated UAAL. Also shown are the actual funded ratios per the 2019, 2020, and 2021 actuarial valuations, the estimated prospective funded ratios for valuation years 2022 through 2026, the estimated prospective portion of the projected ADEC funded by State General Fund appropriations for fiscal years 2022 through 2029 (including payments made from State General Fund appropriations for entities not within the State reporting entity), and the portion of the projected ADEC funded by State General Fund appropriations as a percentage of total State General Fund appropriations for fiscal years 2022 through 2029. Other than the last two columns, the information in the following tables regarding ERS and TRS was prepared by their enrolled actuary. The information in the last two columns of the following tables was derived by the Governor's Office of Planning and Budget from revenue estimates of the State Economist and using the assumptions noted. The following tables are based on the ERS and TRS actuarial valuations as of June 30, 2021 and utilize the same assumptions as the June 30, 2021 actuarial valuations.

For FY 2022, State General Fund appropriations for the ADEC payments for ERS and TRS were approximately $354 million and $1.37 billion, respectively, and comprised, together, approximately 5.96% of total State General Fund appropriations.

For FY 2023, State General Fund appropriations are estimated to comprise approximately 52% of the ADEC payments for TRS and 63% for ERS. State General Fund appropriations in FY 2023 for the ADEC payments for ERS and TRS are estimated to be approximately $390 million and $1.39 billion, respectively, and are estimated to comprise, together, approximately 6.22% of total State General Fund appropriations.

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State General Fund Appropriations Impact

ERS Projected Annual Actuarially Determined Employer Contribution Status
($ in thousands)

Valuation Year	Fiscal Year	Employer Rate (%)	Annual Payroll	ADEC Payment	AVA	AAL	UAAL	Funded Ratio (%)	State Portion of ADEC[c]	State Portion of ADEC as % of State General Fund Appropriations[d]
2019	2022	24.63 [a] 21.57 [b]	$2,474,508	$561,733	$13,481,219	$17,829,220	$4,348,001	75.6%	$353,892	1.23%
2020	2023	24.67 [a] 21.59 [b]	2,737,795	618,917	13,556,622	18,375,797	4,819,175	73.8	389,918	1.36
2021	2024	29.35 [a] 25.51 [b]	2,748,650	732,615	14,383,600	20,085,695	5,702,095	71.6	461,547	1.57
2022	2025	29.28 [a] 25.51 [b]	2,779,030	736,833	14,928,767	20,159,380	5,230,613	74.1	464,205	1.54
2023	2026	29.08 [a] 25.51 [b]	2,808,543	740,351	15,446,161	20,725,948	5,279,787	74.5	466,421	1.51
2024	2027	29.02 [a] 25.51 [b]	2,834,292	744,134	16,073,119	20,769,259	4,696,140	77.4	468,804	1.45
2025	2028	28.97 [a] 25.51 [b]	2,857,306	747,390	16,747,422	20,779,778	4,032,356	80.6	470,856	1.39
2026	2029	28.92 [a] 25.51 [b]	2,878,858	750,465	16,842,869	20,760,362	3,917,493	81.1	472,793	1.34

[a] Old Plan and New Plan.
[b] GSEPS.
(c) Amounts reflect the portion of the projected ADEC, approximately 63%, estimated to be comprised of State General Fund appropriations. This portion of the projected ADEC for FY 2022 – FY 2029 is based upon the estimated percent of payroll to be paid through State General Fund appropriations during FY 2022.
(d) State General Fund appropriations for FY 2024 – FY 2029 are based on the most recent revenue estimates of the State Economist.

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State General Fund Appropriations Impact

TRS Projected Annual Actuarially Determined Employer Contribution Status
($ in thousands)

Valuation Year	Fiscal Year	Employer Rate (%)	Annual Payroll	ADEC Payment	AVA	AAL	UAAL	Funded Ratio (%)	State Portion of ADEC[a]	State Portion of ADEC as % of State General Fund Appropriations[b]
2019	2022	19.81	$13,266,565	$2,628,107	$78,126,922	$101,839,399	$23,712,477	76.7%	$1,366,615	4.74%
2020	2023	19.98	13,400,161	2,677,352	81,632,571	107,188,775	25,556,204	76.2	1,392,223	4.86
2021	2024	19.98	13,560,907	2,709,469	94,048,970	115,703,567	21,654,597	81.3	1,408,924	4.78
2022	2025	19.53	13,740,399	2,683,500	99,299,944	119,613,812	20,313,868	83.0	1,395,420	4.63
2023	2026	19.37	13,932,113	2,698,650	103,946,995	123,506,099	19,559,104	84.2	1,403,298	4.55
2024	2027	19.16	14,132,005	2,707,692	108,706,558	127,382,222	18,675,664	85.3	1,408,000	4.36
2025	2028	18.84	14,330,631	2,699,891	113,738,107	131,242,683	17,504,576	86.7	1,403,943	4.16
2026	2029	19.57	14,533,903	2,844,285	116,517,385	135,076,635	18,559,250	86.3	1,479,028	4.18

[a] Amounts reflect the portion of the projected ADEC estimated to be comprised of State General Fund appropriations using the State Auditor's estimate of 52.0%. This portion of the projected ADEC for FY 2022 – FY 2029 is based upon the estimated percent of payroll to be paid through State General Fund appropriations during FY 2022.

[b] State General Fund appropriations for FY 2024 – FY 2029 are based on the most recent revenue estimates of the State Economist.

Actuarial Methods and Assumptions

Numerous significant assumptions are used to determine projected pension obligations and related costs. The amount of benefit to be paid depends on projections of future events incorporated into the pension benefit formula, including estimates of the average life of employees/survivors and average years of service rendered, and is measured based on assumptions concerning future interest rates and future employee compensation levels. In addition, actuarial valuations include assumptions regarding the long-term rate of return on plan assets. Should actual experience differ from actuarial assumptions, the projected pension obligations and related pension costs would be affected in future years. Refer to Note 15, "Retirement Systems," in APPENDIX B hereto for additional detail regarding significant actuarial assumptions.

Georgia law requires that at least once every five years an experience study be performed on TRS and ERS. An experience study is the investigation into the mortality, service and compensation experience of the members and beneficiaries by comparing the actual experience with the assumed experience during the five year period. The actuarial firm preparing the experience study will recommend changes to the assumptions and methods if there are any significant differences. The purpose of the experience study is to assess the reasonableness of the actuarial assumptions and methods used by the Systems.

The most recent five year experience study for ERS for the period beginning July 1, 2014 through June 30, 2019 was completed and presented to the ERS Board of Trustees on December 17, 2020. As a result of the study, the ERS Board of Trustees adopted: (1) revised rates of separation from active service due to withdrawal, disability, death, and retirement; (2) revised rates of salary increases; (3) revised rates of post-retirement mortality; (4) reductions in the price inflation rate to 2.50% from 2.75% and the wage inflation rate to 3.00% from 3.25%; and (5) a reduction in the long-term investment rate of return assumption to 7.00% from 7.50%. The study also validated the Board's current approach of slowly reducing the rate of return assumption over time to ultimately reach the long-term target of 7.00%. The aggregate effect of the changes listed above resulted in an increase to the ERS UAAL of $551.2 million in valuation year 2020. The next experience investigation for ERS is expected to be completed in the fall of 2025 for the five-year period July 1, 2019 through June 30, 2024.

The TRS experience study for the five-year period July 1, 2013 through June 30, 2018 was completed and presented to the TRS Board of Trustees on May 13, 2020. As a result of the study, the TRS Board of Trustees adopted: (1) revised rates of separation from active service due to withdrawal, disability, death, and retirement; (2) revised rates of post-retirement mortality; and (3) reductions in the administrative expenses assumption from 0.25% to 0.20% of payroll. The aggregate effect of the changes noted above resulted in an increase to the TRS UAAL of $1,204 million in valuation year 2019. The next experience investigation for TRS is expected to be completed in the fall of 2024 for the five-year period July 1, 2018 through June 30, 2023.

Summary of Recent TRS Changes

On November 20, 2013, the TRS Board adopted a formal funding policy to define TRS funding objectives, the benchmarks used to measure progress, and the primary methods and assumptions that were used to develop the benchmarks. At that time, two significant changes in actuarial methods and assumptions were adopted by the TRS Board. First, the method used to amortize the unfunded actuarial accrued liability (UAAL) was changed from an open 30-year period to a closed 30-year period. The previous open 30-year period meant that with each actuarial valuation, the total UAAL would be amortized over a new 30-year period and, in effect, "refinanced" the UAAL each year, resulting in the UAAL never being paid off. The new closed 30-year period meant that the initial UAAL (the UAAL as of June 30, 2013) would be amortized over a closed 30-year period. Each year thereafter, the change in the UAAL would be amortized over a separate closed 30-year period. The purpose of this method was to lead to an eventual reduction in the UAAL with the intention of it being paid off. Second, the method used in smoothing asset values was changed from 7-year smoothing to 5-year smoothing, as a shorter period results in a closer fit to the current market value. The actuarial value of assets also was set to equal the market value of the assets which fully recognized the remaining unrealized gains and losses from the prior 7 years and facilitated the transition from 7-year smoothing to 5-year smoothing.

On May 15, 2019, the TRS Board adopted changes to the Board's funding policy to reflect a change from the smoothed valuation interest rate methodology to a constant interest rate method. In conjunction with the change in methodology, the long-term assumed rate of return in assets (discount rate) was changed from 7.50% to 7.25%, and the assumed annual rate of inflation was reduced from 2.75% to 2.50%. The combined impact of these changes decreased the UAAL by $133.4 million.

On May 13, 2020, the TRS Board adopted new rates of separation and mortality based on the results of an experience investigation that was prepared for the five-year period ending June 30, 2018. The impact of assumption and method changes increased the UAAL by approximately $1.2 billion.

On May 11, 2022, the TRS Board adopted changes to the Board's funding policy to redefine the transitional UAAL as the UAAL as of June 30, 2021, and to set the amortization period for the new transitional UAAL over a closed period not to exceed 23 years from June 30, 2021. The funding policy also was changed such that each subsequent valuation will produce a New Incremental UAAL consisting of all benefit changes, assumption and method changes, and experience gains and/or losses that have occurred since the previous valuation that will be amortized over a closed 25-year period. The blended amortization period as of the June 30, 2021 actuarial valuation was 22.6 years. In conjunction with the change in methodology, the long-term assumed rate of return in assets (discount rate) was changed from 7.25% to 6.90%, and the assumed annual rate of wage inflation was reduced from 3.00% to 2.50%. In addition, the asset smoothing method has been modified for the June 30, 2021 valuation in order to mitigate the impact of the assumption and methodology changes mentioned above, and to take advantage of the annual return on the fair value of assets of 29.2% for FY 2021. The amount of the substantial asset gain recognized this year was an amount such that the total UAAL was the same as if no assumptions or methods had been changed. The remaining unrecognized asset gain will be spread equally over the four-year period following this valuation. There was no impact on the UAAL for these combined changes.

The TRS actuarial report prepared by the TRS enrolled actuary dated May 11, 2022 indicates that, as of June 30, 2021, TRS had an UAAL in the amount of $21.7 billion which was used to set the ADEC for FY 2024. Significant actuarial assumptions used in the TRS actuarial report as of June 30, 2021 include: (a) an investment rate of return of 6.90%, (b) projected salary increases of 3.00% - 8.75%, (c) an annual inflation rate of 2.50%, (d) anticipated semi-annual cost-of-living adjustments of 1.50%, (e) amortization of the transitional UAAL over a closed period of 23 years and each new incremental UAAL over a closed period of 25 years, and (f) 5-year smoothing of assets. The TRS actuarial report indicated that, in the opinion of the actuary, TRS is operating on an actuarially sound basis, and in conformity with the minimum funding standards of Georgia law.

Summary of Recent ERS Changes

On December 19, 2013, the ERS Board adopted a formal funding policy to define ERS funding objectives, the benchmarks used to measure progress, and the primary methods and assumptions that would be used to develop the benchmarks. Two significant changes in actuarial methods and assumptions were adopted by the ERS Board. First, the method used to amortize the unfunded actuarial accrued liability (UAAL) was changed from an open 30-year period to a closed 25-year period. The previous open 30-year period meant that with each actuarial valuation, the total UAAL would be amortized over a new 30-year period and, in effect, "refinanced" the UAAL each year. The new closed 25-year period meant that the initial UAAL (FY 2013) would be amortized over a closed 25-year period. Each year thereafter, any incremental change in the UAAL would be amortized over a separate closed 25-year period. The blended amortization period as of the June 30, 2021 actuarial valuation was 20 years. The purpose of this method was to lead to an eventual reduction in the UAAL with the intention of it being paid off, and in a shorter (25-year) timeframe than previously utilized. Second, the method used in smoothing assets was changed from 7-year smoothing to 5-year smoothing as a shorter period results in a closer fit to current market value. The actuarial value of assets also was set to equal the market value of the assets for the FY 2013 actuarial valuation, which fully recognized the remaining unrealized gains and losses from the prior 7 years and facilitated the transition from 7-year smoothing to 5-year smoothing.

On March 15, 2018, the ERS Board adopted an updated version of its funding policy, effective with the June 30, 2017 valuation, which changed the system's assumed investment rate of return. In the years preceding the June 30, 2017 valuation, the system assumed a 7.50% rate of return. Beginning with the June 30, 2017 valuation, the rate of return assumption would be reduced by 0.1% (10 basis points) from the prior year in any year in which the actual investment rate of return exceeded the assumed rate of return. If the actual rate of return does not exceed the assumed rate of return in a given year, then the assumed rate of return will remain the same for the following year. The reductions in the assumed rate of return will continue until the assumed rate of return reaches the Board's target of a 7.00% return assumption. For the year ended June 30, 2021, the system's actual rate of return of 29.36% exceeded the assumed rate of return of 7.30%, which resulted in the 7.30% rate of return assumption being reduced to 7.20%.

On April 21, 2022, the Board adopted further updates to the funding policy, effective with the June 30, 2021 valuation. First, the period used to amortize the UAAL was changed from 25 years to 20 years. All UAAL as of June 30, 2021 will be amortized over a closed 20-year period. Each year thereafter, any incremental change in the UAAL would be amortized over a separate closed 20-year period. Second, the

Board elected to begin pre-funding a variable Cost of Living Adjustment (COLA) for eligible retirees and beneficiaries (i.e. for member first hired prior to July 1, 2009). The amount of the COLA each year will be between 0% and 3%, inclusive, and will be based on several factors, including the preceding five years' investment performance, the system's funded ratio as of the most recent valuation, and the rate of inflation as of the beginning of the calendar year in the which the COLA is approved. For details on the determination of the annual COLA amounts, please see the June 30, 2021 actuarial valuation which is available on the ERS website, Schedule F – Board Funding Policy, Appendix, beginning on page 32.

The ERS actuarial report prepared by the enrolled actuary dated April 22, 2022 indicates that, as of June 30, 2021, ERS has an UAAL in the amount of $5.7 billion and was used to set the ADEC for FY 2024. The most significant reasons for the increase of $882.9 million from the prior year UAAL were (1) the newly-adopted prefunding of a variable COLA for certain retirees and beneficiaries, and (2) a change in the assumed investment rate of return from 7.3% to 7.2%, which were partially offset by gains due to realized investment returns. Significant actuarial assumptions used in the ERS actuarial report as of June 30, 2021 include: (a) an investment rate of return of 7.20%, (b) projected salary increases of 3.00% - 6.75%, (c) an annual inflation rate of 2.50%, (d) a newly-adopted variable COLA model, (e) amortization of the UAAL over a closed period of 20 years, and (f) 5-year smoothing of assets. The ERS actuarial report indicates that, in the opinion of the actuary, ERS is operating on an actuarially sound basis and in conformity with the minimum funding standards of Georgia law.

Regents Retirement Plan

The Georgia General Assembly created the USG's Optional Retirement Plan ("Regents Retirement Plan"), a single-employer defined contribution retirement plan, in 1990 pursuant to the Regents Retirement Plan Act (O.C.G.A. Section 47-21-1 *et seq.*) and administered by the BOR of the USG ("Board"). O.C.G.A. Section 47-3-68(a) defines who may participate in the Regents Retirement Plan. An "eligible university system employee" is a faculty member, or all exempt full and partial benefit eligible employees, as designated by the regulations of the Board. Under the Regents Retirement Plan, a plan participant may purchase annuity contracts from three approved vendors for the purpose of receiving retirement and death benefits. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Benefits are payable to participating employees or their beneficiaries in accordance with the terms of the annuity contracts.

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of the participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For FY 2021, the employer contribution was 9.24% for a participating employee's earnable compensation and participating employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times. For FY 2021 the USG and the covered employees made the required contributions of $137.8 million and $89.5 million, respectively. Additional information is contained in the University System of Georgia Annual Financial Report Fiscal Year 2021 which is available from the Board.

GASB Statements 67 and 68

On June 25, 2012, GASB approved GASB Statement Nos. 67 and 68, which impacts the accounting and financial reporting for defined benefit pension plans and for state and local governments that participate in such plans. Statement No. 67 superseded existing guidance for the financial reports of pension plans by, among other things, requiring additional disclosure in the notes to financial statements and in required supplementary information; it also provides guidance regarding the calculation of the net pension liability ("NPL") as the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service, using new parameters) and the net plan position (consisting mostly of investments reflected at fair value). ERS and TRS implemented GASB Statement No. 67 in their Comprehensive Annual Financial Statements for FY 2014. For additional information, refer to the prior section entitled "*Financial Reporting of Net Pension Liability*" and also Note 15, "Retirement Systems," in APPENDIX B hereto. Statement No. 68 revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits by, among other things, requiring governments to recognize long-term obligations for pension benefits as a liability. Major changes include: (1) the inclusion of the NPL on the government employer's balance sheet (previously, unfunded liabilities typically were included as notes to the government's financial statements) rather than the portion of the actuarially determined employer contribution that has not been funded; (2) separation of expenses from funding: reported annual pension expense will no longer be connected to the funding of the plan and could be significantly different from the actuarially determined employer contribution, and could be more volatile; (3) use of a single blended discount rate reflecting a long-term expected rate of return on plan assets to the extent that assets are projected to be available to pay benefits and a municipal borrowing rate to the extent a funding shortfall is projected; and (4) immediate recognition of certain benefit plan changes, which generally would increase pension expense; and shorter amortization periods than currently used to recognize the effects on the total pension liability for changes in assumptions and differences in assumptions and actual experience. In addition, the new standard requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective NPL and expense for the cost-sharing plan while under the prior standard, an employer in a cost-sharing plan would report a liability only if it failed to make its full contractually required contribution to the plan. GASB Statement No. 68 was implemented by state and local governments that provide their employees with pension benefits for FY 2015. The State reported a net pension liability for all plans of the primary government of approximately $8.5 billion in its entity-wide financial statements for FY 2021; such liability was approximately $7.9 billion for FY 2020. For additional information please refer to Note 15, "Retirement Systems" in APPENDIX B hereto.

OTHER POST-EMPLOYMENT BENEFIT ("OPEB") PLANS

Introduction

Retirees of State government and local school districts who are eligible to receive monthly retirement benefits from a State-sponsored retirement system and are enrolled in the State Health Benefit Plan ("SHBP") at the time they retire have the option to continue health-care coverage under SHBP. Retirees age 65 and older are required to enroll in a Medicare Advantage option in order to receive state contributions toward their health insurance policy premiums. Retirees and State employees hired prior to July 1, 2009 are also eligible to participate in group term life insurance ("GTLI"). These types of benefits are made available through plans which commonly are known as "Other Post-Employment Benefit" ("OPEB") plans. The State provides the following significant OPEB plans:

Multi-employer Plans
Administered by the 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")
Administered by ERS:
State Employees' Assurance Department – OPEB ("SEAD-OPEB") (For GTLI benefits)
Single-employer Plan
Administered by the Board of Regents of the University System of Georgia ("USG"):
Board of Regents Retiree Health Benefit Fund ("BOR Retiree Plan")

For additional information on the OPEB plans, including details regarding basis of accounting, investments, plan descriptions, plan membership, funding policies, benefits provided, contribution rates, and certain actuarial information, see Note 16, "Postemployment Benefits – Multi-employer Plans" (pages 161-180), Note 17, "Postemployment Benefits – Single-employer Plans" (pages 181-194), and "Required Supplementary Information" (pages 245-264) in the State of Georgia Annual Comprehensive Financial Report for FY 2021 in APPENDIX B hereto. In addition, APPENDIX B contains certain other OPEB information required by GASB, including details regarding funded status, funding progress, and net OPEB liability.

The OPEB disclosures rely on information produced by the plan's management and their enrolled actuaries. Actuarial assessments are "forward-looking" valuation estimates that reflect the judgment of the fiduciaries of the plans. Actuarial assessments are based upon a variety of assumptions. Should actual experience differ from actuarial assumptions, the projected OPEB obligations and related OPEB costs would be affected in future years.

GASB Statement 74

During FY 2017, the State adopted the provisions of GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"). GASB 74 requires the disclosure of the net OPEB liability determined using a specified actuarial cost method, requires expanded footnote disclosure and required supplementary information for OPEB plans, and clarifies what constitutes an OPEB plan.

GASB Statement 75

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 75"), effective for fiscal years beginning after June 15, 2017. GASB 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses in the employer financial statements. It also establishes requirements for related note disclosures and required supplementary information. GASB 75 was adopted with the FY 2018 financial statements. With the implementation of GASB 75, the State is not required to report information as previously reported in the Funding Progress Table shown hereinafter. Instead, the State is required to recognize its proportional share of the net OPEB liability of the OPEB plans applicable to said standard. The State reported a net OPEB liability for all plans of the primary government of $6.371 billion in its entity-wide financial statements for FY 2021.

System Membership and Beneficiary Description

The State OPEB Fund and School OPEB Fund are cost-sharing multiple employer defined benefit post-employment healthcare plans. The State OPEB Fund provides postemployment health benefits 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 ERS, Georgia Judicial Retirement System ("JRS"), and Legislative Retirement System ("LRS"). The School OPEB Fund provides postemployment health benefits 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 TRS and Public School Employees Retirement System ("PSERS"). The SEAD-OPEB Plan is a cost-sharing multiple employer defined benefit post-employment plan that provides post-employment GTLI benefits to eligible members of the ERS, JRS, and LRS on a monthly, renewable term basis, with no return premiums or cash value available to be earned. The BOR Retiree Plan is a single employer, defined benefit, post-employment healthcare plan administered by the BOR as further described below. Membership in the plans are shown below:

	State OPEB Fund[1]	School OPEB Fund[1]	SEAD-OPEB[2]	BOR Retiree Plan[2]
Inactive members or beneficiaries receiving benefits	38,470	86,993	44,377	21,300
Inactive members entitled to but not yet receiving benefits	-	-	1,034	-
Active plan members	49,544	181,301	18,772	46,365
Total	88,014	268,294	64,183	67,665

[1] Source: GASB Statement No. 74 Report, Prepared as of June 30, 2021 – Membership Data as of June 30, 2020.

[2] Source: State of Georgia Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021.

Plan Contribution Information

The State OPEB Fund, the School OPEB Fund, and the BOR Retiree Plan currently are funded in large part on a "pay-as-you-go" basis. That is, annual costs of providing benefits are funded in the same year as claims occur, with historically no significant assets accumulating as would occur in an advance funding strategy. Each fiscal year the General Assembly determines the maximum amount of the State's contributions in the general appropriations act, and the Board of Community Health and the BOR, respectively, reacting to input from various entities, determine plan benefits, terms and conditions, contributions required from all employers offering coverage under the respective plans, and the subscription (premium) rate for participants. Neither changes in the UAAL and the Pre-Funding Contribution Amount ("PFC amount") (which consists of a "normal" amount and an accrued liability amount), nor changes in OPEB liability under GASB, necessarily impact funding decisions which remain within the discretion of the Board of Community Health, the BOR, and the annual appropriations process. GASB's promulgation of financial reporting standards does not necessarily dictate fiscal management policies or establish legal requirements.

Employer contributions to the State OPEB Fund currently are funded as a percent of state agency payroll and are funded through a mix of State funds appropriations, federal revenue, fee income, and other income streams available to State agencies. For FY 2022, the budgeted employer share of pay-as-you-go contributions to the State OPEB Fund is approximately $151.7 million. Approximately $108.5 million, or 71.5% of the employer contributions, is budgeted from State funded appropriations.

Employer contributions to the School OPEB Fund currently are funded from local school district direct contributions, a significant portion of which is derived from State funds appropriations. For FY 2022, the budgeted employer share of pay-as-you-go contributions to the School OPEB Fund is approximately $371.9 million. Approximately $240 million, or 65% of the employer contributions, is budgeted from State funded appropriations.

For FY 2021, the total amounts of employer contributions were $151.7 million to the State OPEB Fund and $371.855 million to the School OPEB Fund. All contributions were pay-as-you-go amounts; there were no additional contributions to either the State OPEB Fund or the School OPEB Fund.

Since FY 2014, SHBP has transferred excess funds to the State OPEB Fund and the School OPEB Fund. Typically, the excess amounts are determined after the completion of the State's Annual Comprehensive Financial Report with transfers being made before the end of the following fiscal year. As a result of these efforts, the State added more than $2.1 billion to the OPEB Funds, with those investments having earned more than an additional $500 million in interest since transfers began. Due to the continuing uncertainty regarding plan revenues and expenditures as a result of the ongoing federal public health emergency resulting from the COVID-19 pandemic and other healthcare system impacts and expenses, the year end OPEB transfers have been paused since FY 2020 to ensure sufficient resources are maintained to meet both planned and potential unplanned cashflow needs.

In May 2018, the State Depository Board approved the OPEB Trust Fund Investment Policy whereby assets in the State OPEB Fund and the School OPEB Fund are invested to generate investment earnings to the funds. As of June 30, 2021, the balances of the investment assets in the State OPEB Fund and School OPEB Fund, including investment earnings, were approximately $1.938 billion and $709 million, respectively. The Officer of State Treasurer reports that as of the end of April 2022, the unaudited balances of the investment assets including investment earnings, for the State OPEB Fund and the School OPEB Fund, were approximately $1.900 billion and $698 million, respectively.

The BOR Retiree Plan is a single-employer plan and is described in more detail in subsection "BOR Retiree Health Benefit Plan Information" further below and also in Note 17 "Postemployment Benefits – Single-employer Plans" (pages 181-194), and "Required Supplementary Information" (pages 254-264), in APPENDIX B hereto. Additional information also is available from the Board of Regents.

The total amount of employer contributions to the BOR Retiree Plan for FY 2021 was approximately $117.4 million, which consisted of a pay-as-you-go amount of $96.4 million and additional transfers of $21.0 million. Effective May 2017, any reserve funds in the BOR Health Benefit Plan remaining after allowing for the plan's IBNR liability plus twenty percent (20%) of plan benefit claims expense, are transferred to the BOR Retiree Plan annually, upon completion of the financial audit. Additional one-time contributions also may be made on a discretionary basis in connection with de-risking and other objectives upon approval of the BOR.

The SEAD-OPEB plan is administered by a Board of Directors that establishes contributions by plan members and employer contribution rates. Such rates, when added to members' contributions, shall not exceed one percent (1%) of earnable compensation. A valuation analysis is conducted each year to determine if employer contributions will be necessary. There are no required employer contributions for the SEAD-OPEB plan in FY 2022, FY 2023, or FY 2024. Per legislation passed in 2008 and 2009, no new members can be added to this plan.

State OPEB Fund and School OPEB Fund Actuarial Report Information

The Georgia Department of Community Health's most recent available Report of the Actuary on the Retiree Medical Valuations relating to the State OPEB Fund and the School OPEB Fund is dated as of June 16, 2021 and prepared as of June 30, 2020. The total OPEB liability at June 30, 2021 is based upon the June 30, 2020 actuarial valuation.

For the State OPEB Fund, the June 30, 2020 UAAL actuarial valuation was approximately $761 million. The UAAL on the June 30, 2019 actuarial valuation was $1.5 billion. The UAAL decreased $781.8 million due to gains from FY 2020 claims and retiree premium experience and changes in actuarial assumptions due to actual experience differing from assumptions. The PFC amount was $152.8 million per the June 30, 2019 valuation (for FY 2022) and $105.5 million per the June 30, 2020 valuation (for FY

2023). The actuary reported $1.667 billion as the market value of the State OPEB Fund assets as of June 30, 2020, compared to $1.617 billion as of June 30, 2019.

For the School OPEB Fund, the June 30, 2020 UAAL actuarial valuation was approximately $6.8 billion. The UAAL on the June 30, 2019 actuarial valuation was $8.73 billion. The net decrease to the UAAL was approximately $1.9 billion, principally due to claims and retiree premium experience gains. The PFC amount was $728.2 million per the June 30, 2019 valuation (for FY 2022) and is $596.5 million per the June 30, 2020 valuation (for FY 2023). As of June 30, 2020, the actuary reported $611.0 million as the market value of the School OPEB Fund assets, compared to $595.1 million as of June 30, 2019.

As noted above, the State OPEB Fund, the School OPEB Fund, and the BOR Retiree Plan primarily operate on a pay-as-you-go basis and thus changes to, or the size of, the UAAL do not necessarily impact funding decisions.

BOR Retiree Health Benefit Plan Post-Employment Benefit Actuarial Report Information

The BOR Retiree Plan is a single-employer defined benefit, healthcare plan administered by the University System Office, an organizational unit of the USG. The BOR Retiree Plan's board is the BOR of the USG that is comprised of nineteen members, all appointed by the Governor. The BOR Retiree Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits. BORs' employer contributions are funded through a mix of State appropriations, student tuition, fee income, and other income streams available to BOR.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the BOR has established group health and life insurance programs for regular employees of the BOR. It is the policy of the BOR to permit employees of the BOR eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The BOR 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 BOR Retiree Plan for plan year 2022, the following self-insured health care options were available: Blue Choice HMO plan (Blue Cross and Blue Shield of Georgia), Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The BOR 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 BOR makes contributions to the retirees' health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses. The contribution requirements of plan members and the employer are established and may be amended by the Board. The BOR Retiree Plan is substantially funded on a pay-as-you-go basis; however, amounts above the pay-as-you-go basis may be contributed annually, either by specific appropriation or by Board designation. For FY 2021, the USG contributed $15.1 million more than benefit payments and administrative expenses; investment income (realized and unrealized) totaled $20.3 million. At the end of FY 2021, the BOR Retiree Plan had accumulated $195.3 million in net assets against the total OPEB liability of $5.2 billion, for a net OPEB liability of $5.0 billion as of June 30, 2021.

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 for the upcoming plan year. For the 2021 plan year, the employer rate was approximately 85% of the total contributions available to cover health insurance cost for eligible retirees and the retiree rate was approximately 15%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. For life insurance, the employer covers the total premium cost for $25,000 of basic life insurance. If an individual elects to have supplemental and/or dependent life insurance coverage, such costs are borne entirely by the retiree. For FY 2021, the USG contributed a total of $117.4 million to the plan, with $96.4 million for current premiums or claims and $21.0 million for funding the plan.

The BOR Retiree Plan's investments are segregated for OPEB in the BOR Short Term and Balanced Income pooled investment funds. The market value of the plan's net asset value in the Short Term Fund at June 30, 2021 was $4,249,743; this balance was included in cash and cash equivalents on the Statement of Fiduciary Net Position. The market value of the plan's net asset value in the Balanced Income Fund at June 30, 2021 was $192,753,585; this balance is reported as investments on the Statement of Fiduciary Net Position.

The most recent actuarial valuation for the BOR Retiree Plan is as of May 1, 2021. The total OPEB liability at June 30, 2021 (FY 2021) is based upon the May 1, 2021 actuarial valuation, using generally accepted actuarial procedures; update procedures were used to roll forward the total OPEB liability to June 30, 2021. For the BOR Retiree Plan, the Net OPEB Liability as of June 30, 2021 was approximately $5.0 billion, compared to a Net OPEB Liability of $5.3 billion as of June 30, 2020. The decrease of approximately $301 million was due primarily to several changes in assumptions, including lowering the discount rate used for various calculations. The ADEC amount was $387.020 million per the May 1, 2021 valuation compared to $417.76 million per the May 1, 2020 valuation. As of June 30, 2021, the actuary reported $195.3 million as the Plan Fiduciary Net Position.

Additional information on the BOR Retiree Plan can be found in the USG's FY 2021 Annual Financial Report which is available on BOR's website.

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OPEB Funding Progress

The funded status and funding progress of the OPEB plans for each of the past five actuarial valuation dates is presented in the following table.

OPEB Plans[1]
Historical Funding Progress
Market Value ($ in thousands)

OPEB Plan / Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
State						
6/30/2020	$1,667,521	$2,428,965	$ 761,444	68.7%	$2,815,892	27.0%
6/30/2019	1,617,205	3,160,407	1,543,202	51.2	2,797,241	55.2
6/30/2018	1,201,865	3,351,782	2,149,916	35.9	2,802,815	76.7
6/30/2017[a]	854,937	3,642,056	2,787,119	23.5	2,535,722	109.9
6/30/2016[b]	516,245	3,609,889	3,093,644	14.3	2,404,901	128.6
School[c]						
6/30/2020	$611,016	$ 7,395,973	$ 6,784,956	8.3%	$10,900,209	62.2%
6/30/2019	595,129	9,329,590	8,734,461	6.4	10,625,003	82.2
6/30/2018	383,263	9,490,548	9,107,285	4.0	10,583,167	86.1
6/30/2017[a]	229,685	10,089,950	9,860,265	2.3	10,516,260	93.8
6/30/2016[b]	95,407	10,559,402	10,463,995	0.9	10,086,189	103.7
SEAD						
6/30/2021	$1,566,821	$931,245	$(635,576)	168.3%	$1,032,219	(61.6)%
6/30/2020	1,256,718	904,533	(352,185)	138.9	1,138,882	(30.9)
6/30/2019	1,233,856	946,738	(287,118)	130.3	1,213,174	(23.7)
6/30/2018	1,189,462	919,157	(270,305)	129.4	1,323,540	(20.4)
6/30/2017[a]	1,121,251	876,586	(244,665)	127.9	1,394,395	(17.6)

[1] The BOR Retiree Plan is not shown in this table as with the implementation of GASB 75 the actuary no longer calculates the information presented in this table.
[a] Funding method changed to entry age normal.
[b] Reflects changes made in September 2017 to reflect additional member data for Fulton County school employees and City of Atlanta school employees who are members of the SHBP, but not TRS or PSERS.
[c] Annual Covered Payroll: The salary amount shown is total salaries, however, salaries are not the basis upon which regular employer contributions to the SHBP are based for the School OPEB Plan. Rather, these contributions are based upon a flat per member amount.

Sources: Plan actuarial reports and underlying actuarial data. GASB Statement No. 74 Reports, for both Georgia State and Georgia School Employees, Post-Employment Benefit Funds, measurement dates from FY 2016 through FY 2021. Also, State of Georgia Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021.

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Employer Contributions

The following table provides information regarding actual employer contributions that have been made during the fiscal years shown. Although currently the OPEB plans are funded on a "pay-as-you-go" basis, the actuarial determined employer contribution ("ADEC") is provided for informational purposes only. The Total Employer Contributions received during the fiscal year include the required pay-as-you-go amount plus any additional voluntary contributions from excess funds. The State Entity Portion of Total Employer Contributions is calculated by the State Accounting Office; the average percentage for the fiscal years shown is 93.16% for the State OPEB Plan, 0.62% for the School OPEB Plan, and 100% for the BOR Retiree Plan.

OPEB Plans
Annual Employer Contributions
($ in thousands)

OPEB Plan / Fiscal Year	Actuarial Determined Employer Contribution (ADEC)	Actual Employer Contributions			State Entity Portion of Total Employer Contributions
		Pay-As-You-Go Contributions	Other Excess Contributions	Total Employer Contributions	
State					
2021	$178,423	$151,709	$ -	$151,709	$138,997
2020	210,034	150,489	-	150,489	139,672
2019	218,962	171,018	363,655	534,673	494,957
2018	232,161	169,948	331,626	501,574	462,545
2017	202,092	164,222	333,980	498,202	470,934
2016	259,250	152,480	414,827	567,307	533,269
2015	275,681	165,726	101,434	267,160	250,676
2014	321,456	177,045	-	177,045	165,917
School					
2021	$754,013	$371,855	$ -	$371,855	$2,470
2020	786,912	338,177	-	338,177	2,315
2019	833,291	344,171	194,398	538,569	3,501
2018	824,872	369,275	149,015	518,290	3,243
2017	669,894	388,282	133,126	521,408	3,025
2016	873,736	354,113	64,564	418,677	2,345
2015	873,278	375,751	30,848	406,599	2,440
2014	943,310	408,422	-	408,422	2,395
BOR Retiree					
2021	$387,020	$ 96,413	$ 20,968	$117,381	$117,381
2020	417,744	101,520	1,272	102,792	102,792
2019	484,599	102,200	58,183	160,383	160,383
2018	467,338	102,563	55,857	158,420	158,420
2017	349,859	99,584	-	99,584	99,584
2016	295,192	111,814	-	111,814	111,814
2015	442,359	129,823	-	129,823	129,823
2014	403,314	120,926	-	120,926	120,926

Sources: Plan annual reports and actuarial reports; the State of Georgia Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021; audited financial statements of the BOR Retiree Plan as of June 30, 2021; State Accounting Office.

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Financial Reporting of Net OPEB Liability

For 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 / Net OPEB Asset, by plan ($000):

Fiscal Year	Total OPEB Liability (TOL)	Plan Fiduciary Net Position (PFNP)	Net OPEB Liability/(Asset) (TOL-PFNP)	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (PFNP/TOL)	Covered Employee Payroll[a]	Net OPEB Liability as a Percentage of Covered Employee Payroll
State						
6/30/2021	$2,213,298	$1,938,443	$ 274,855	87.6%	$2,815,892	9.8%
6/30/2020	2,792,919	1,667,521	1,125,398	59.7	2,797,241	40.2
6/30/2019	2,858,522	1,617,207	1,241,315	56.6	2,802,815	44.3
6/30/2018	3,817,453	1,201,865	2,615,587	31.5	2,535,722	103.2
6/30/2017	4,929,142	854,937	4,074,205	17.3	2,483,060	164.1
School						
6/30/2021	$11,539,870	$709,043	$10,830,827	6.1%	$10,900,209	99.4%
6/30/2020	15,298,688	611,017	14,687,671	4.0	10,625,003	138.2
6/30/2019	12,867,274	595,127	12,272,147	4.6	10,583,167	116.0
6/30/2018	13,092,956	383,263	12,709,693	2.9	10,516,261	120.9
6/30/2017	14,279,644	229,685	14,049,960	1.6	10,086,189	139.3
SEAD						
6/30/2021	$950,995	$1,566,821	$(615,826)	164.8%	$1,030,717	(59.7)%
6/30/2020	972,700	1,256,718	(284,018)	129.2	1,135,433	(25.0)
6/30/2019	951,091	1,233,856	(282,765)	129.7	1,211,274	(23.3)
6/30/2018	918,816	1,189,462	(270,646)	129.5	1,328,485	(20.4)
6/30/2017	861,346	1,121,251	(259,905)	130.2	1,383,860	(18.8)
BOR Retiree						
6/30/2021	$5,228,380	$195,299	$5,033,081	3.7%	$3,610,622	139.4%
6/30/2020	5,493,697	159,978	5,333,719	2.9	3,622,123	147.3
6/30/2019	4,616,022	144,455	4,471,568	3.1	3,375,246	132.5
6/30/2018	4,486,796	76,045	4,410,751	1.7	3,218,771	137.0
6/30/2017	4,227,583	7,857	4,219,726	0.2	3,122,694	135.1

[a] Covered Employee Payroll amounts for School are estimated, actual amounts are not available.
Note: Net OPEB Liability amounts as shown may not foot exactly due to $000 rounding.

Source: Plan actuarial reports and underlying actuarial data. GASB Statement No. 74 Reports, for both Georgia State and Georgia School Employees, Post-Employment Benefit Funds, measurement dates from FY 2016 through FY 2021.

For additional information on the health benefit plans and OPEB, see Appendix B herein, Note 16 "Postemployment Benefits – Multi-Employer Plans", Note 17 "Postemployment Benefits – Single-Employer Plans" and "Required Supplementary Information – Other Postemployment Benefits (OPEB).

EMPLOYEE HEALTH BENEFIT PLANS

State Health Benefit Plan

The SHBP is comprised of three health insurance plans: (1) a plan primarily for State employees (O.C.G.A. § 45-18-2), (the "State Employees' Plan"), (2) a plan for teachers (O.C.G.A. § 20-2-881) (the "Teachers' Plan"), and (3) a plan for non-certificated public school employees (O.C.G.A. § 20-2-911) (the "Public School Employees' Plan"). All three plans operate on a plan year that is coincident with the calendar year. The State Employees' Plan is supported by the fund described in O.C.G.A. § 45-18-12, which holds contributions from State departments and agencies and other entities authorized by law to contract with DCH for inclusion, as well as contributions from their employees and retirees. Starting September 1, 2009, retirees' contributions and the portion of employer contributions to the State Employees' Plan allocated by DCH for the payment of retiree benefits have been deposited in the Georgia State Employees' Post-employment Health Benefit Fund. For FY 2022 and FY 2023, the budgeted share of the employer contributions to the State Employee's Plan from State appropriations is estimated to be approximately seventy-two percent (72%).

The Teachers' Plan is supported by the fund described in O.C.G.A. § 20-2-891, which holds contributions from the Department of Education, local school systems, libraries and regional educational service agencies ("RESAs"), as well as contributions from their employees and retirees. The Public School Employees' Plan is supported by the fund described in O.C.G.A. § 20-2-918, which holds contributions from the Department of Education, local school systems, libraries and RESAs, as well as contributions from their employees and retirees. Starting September 1, 2009, retirees' contributions and the portion of employer contributions to the Teachers' Plan and the Public School Employees' Plan allocated by DCH for the payment of retiree benefits under those plans have been deposited in the Georgia School Personnel Post-employment Health Benefit Fund. For FY 2022 and FY 2023, the budgeted share of the employer contributions to the Teacher's Plan and the Public School Employees' Plan from State appropriations is approximately sixty-five percent (65%).

In Plan Year 2022, SHBP members continue to have choice in vendors and plan design offerings, including two HMOs, three HRA options, a High-Deductible Health Plan, two standard and two premium Medicare Advantage options, and a Regional HMO. The SHBP continues to prioritize wellness. Members may earn incentive credits by completing various wellness activities.

On August 12, 2021, the DCH board voted to continue the existing rate for the Non-Certificated Public School Employee Per Member Per Month (PMPM) Employer Contribution Rate (ECR) to remain the same as the previous year ($945.00). The DCH board also voted to continue the Teachers Plan ECR at $945.00 PMPM for each non-library employee enrolled in the Teachers Plan and $843.00 PMPM for each library employee enrolled in the Teachers Plan. The current State ECR percent of payroll is 29.454%; this rate will be continued through FY 2023 by the FY 2023 Appropriations Act (Act 865).

Board of Regents Health Benefit Fund

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, (Anthem, Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Anthem, Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG also offers a self-insured dental plan administered by Delta Dental. There are no planned changes to the available self-insured health care options for plan year 2023.

The USG institutions and participating employees and eligible retirees pay premiums to the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The reserves for these plans are considered to be a self-sustaining risk fund. The BOR has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The self-insured plans have a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing, and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the USG. Retirees age 65 and older participate in a secondary healthcare coverage for Medicare eligible retirees and dependents provided through a retiree healthcare exchange option. The USG makes contributions to a health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses.

The self-funded plan reserve fund had the following cash basis activity for FY 2021: premiums collected of \$598,054,662; claims and expenses paid of \$538,184,004 net of prescription rebate expense credit of \$54,703,219; and other income of \$22,124,145 resulting in an overall self-funded plan fund balance at June 30, 2021 of \$247,276,357 of which \$195,299,246 is held exclusively for OPEB. As of June 30, 2021, the self-funded plans had IBNR claims of \$27,310,000 for active employees and \$3,393,000 for retirees. As of June 30, 2021, the self-funded plan held cash assets of \$21.6 million and investment assets of \$311.6 million.

The BOR has made benefit plan changes since 2009 to reduce healthcare cost increases that have included the following: moved from a 75% employer/25% employee contribution for health insurance premiums to a 70% employer/30% employee contribution; moved to a defined contribution pricing model for healthcare plan premiums; self-funded the BlueChoice HMO, a Consumer Choice HSA, and Comprehensive Care healthcare plans; added a monthly surcharge for tobacco users; added a surcharge for non-Medicare B enrollment; increased the number of hours per week that must be worked to qualify for benefits eligibility from 20 hours/week to 30 hours/week; increased co-pays for HMO plans; increased deductibles, co-pays, and co-insurance for the Comprehensive Care and Consumer Choice plans; moved Medicare-eligible retirees to a Medicare D pharmacy plan; required Medicare eligible retirees to enroll in Medicare Part B for primary coverage; and changed retiree healthcare benefits for employees hired on or after January 1, 2013 to base the employer subsidy for retiree health contributions on years of service with the USG - for example, retirees with only 10 years of service will pay 85% of healthcare premium rates and the USG will pay 15%. This is applied on a sliding scale so that 30 years of service will be required in order to receive a full employer contribution for healthcare premiums. Most recently, in January 2016 secondary coverage for Medicare eligible retirees 65 and older was moved from the USG healthcare plan to a private retiree healthcare exchange. Retirees purchase secondary coverage through the private retiree healthcare exchange and the USG makes an annual contribution to a health reimbursement account which Medicare eligible retirees then use to pay premiums and out-of-pocket healthcare related expenses. Each year the BOR will determine the amount of the contribution to the health reimbursement account.

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SIGNIFICANT CONTINGENT LIABILITIES

The State is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Unless noted otherwise, the ultimate outcome of these proceedings is not presently determinable; however, it is not believed that any such outcome would have a material adverse effect on the financial condition of the State. The following includes significant active, or recently concluded, litigation, claims, and assessments involving the State. For additional information, see "Appendix B – State of Georgia Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021 – Notes to Financial Statements – Note 20: Litigation, Contingencies and Commitments."

David M. Curry v. T-Mobile South, LLC

David M. Curry, Commissioner, Georgia Department of Revenue v. T-Mobile South, LLC, Fulton County Superior Court Civil Case 2020-CV-340221, September 8, 2020, on appeal from Ga. Tax Tribunal Docket Nos. 1732418, 1800700 (consolidated). T-Mobile South seeks refunds of sales and use taxes allegedly paid on purchases of certain tangible personal property for tax periods May 30, 2012 through December 31, 2016, which T-Mobile South asserts to be subject to computer equipment related sales and use tax exemptions pursuant to O.C.G.A. § 48-8-3(68). The total of the sales and use tax refunds claimed by T-Mobile South for such periods is approximately $11,500,000. The Department of Revenue ("DOR") ruled that the cell phone towers and the wireless network equipment purchased by T-Mobile South are "other voice data transport technology," which is specifically excluded from the exemption, and therefore do not qualify for the sales tax exemption. T-Mobile South appealed these decisions with the Georgia Tax Tribunal. Following a trial on all issues, on August 6, 2020, the Georgia Tax Tribunal ruled in favor of T-Mobile South and found that the equipment qualified as computer equipment under O.C.G.A. § 48-8-3(68) and, therefore, qualified for the sales tax exemption. The Georgia Tax Tribunal reversed DOR's denial of T-Mobile South's refund claims and granted all of T-Mobile South's refund claims for a total amount of $11.4 million. DOR filed a petition for judicial review in Fulton County Superior Court on September 8, 2020. The parties have filed briefs and a hearing was held on May 12, 2021. On May 20, 2021, the Fulton County Superior Court issued a Final Order ruling in favor of DOR and reversing the Tax Tribunal, finding that the T-Mobile South equipment in the refund claim is "other voice data transport technology" and thus excluded from the sales tax exemption pursuant to O.C.G.A. § 48-8-3(68)(C)(ii)(I). T-Mobile South's application for discretionary appeal of the Superior Court's ruling was granted by the Georgia Court of Appeals. T-Mobile South's initial appellate brief was filed on September 7, 2021 and DOR's response brief was filed on October 12, 2021. Thereafter, T-Mobile South filed a reply brief on November 1, 2021. T-Mobile South's request for oral argument was denied by the Court of Appeals and the parties now are awaiting a ruling. 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

CSX Transportation v. David M. Curry

CSX Transportation v. David M. Curry, Commissioner, Georgia Department of Revenue, Ga. Tax Tribunal Docket No. 1622264. 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 June 2015 is approximately $38,500,000.

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's petition for certiorari to the U.S. Supreme Court was filed on October 8, 2018. CSX also has filed a conditional petition for certiorari. The U.S. Supreme Court denied the petitions for certiorari 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. 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. DBHDD and Judy Fitzgerald

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 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.

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.

OTHER SIGNIFICANT MATTERS

For additional information, see "Appendix B – State of Georgia Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021 – Notes to Financial Statements – Note 20: Litigation, Contingencies and Commitments."

Interstate Water Disputes Among Georgia, Alabama, and Florida

Background

The State of Georgia ("Georgia") is currently involved in two pending disputes concerning the operation of U.S. Army Corps of Engineers ("Corps") dams and reservoirs in the Apalachicola-Chattahoochee-Flint ("ACF") River Basin and the Alabama-Coosa-Tallapoosa ("ACT") River Basin for water supply and other purposes.

The ACF River Basin is shared by Alabama, Florida, and Georgia. Buford Dam impounds the Chattahoochee River to form Lake Lanier and is part of the ACF River Basin. Lake Lanier and the Chattahoochee River are the primary sources of water supply to more than three million people in north Georgia, including a substantial portion of the metropolitan Atlanta region's population.

The ACT River Basin is shared by Alabama and Georgia. Lake Allatoona, which is in the ACT River Basin in northwestern Georgia, was formed by impounding the Etowah River near Cartersville. Lake Allatoona is a major source of water supply to portions of northwestern Georgia, including portions of the northwestern section of metropolitan Atlanta. The Etowah River joins with the Oostanaula River in Rome, Georgia to form the Coosa River which then flows west-southwesterly into the State of Alabama.

ACF River Basin Litigation

Prior ACF Litigation

On October 1, 2013, the State of Florida ("Florida") filed a motion for leave to file a complaint in the U.S. Supreme Court against Georgia seeking an apportionment of the waters of the ACF River Basin. The U.S. Supreme Court has original and exclusive jurisdiction over suits directly between states. The suit challenged Georgia's use of the waters of the ACF Basin for municipal and industrial use and for agriculture. Among other things, the suit alleged that municipal and agricultural water consumption in Georgia had reduced flows in the ACF River Basin to a degree sufficient to harm Florida's oyster industry, among other harms. Georgia denied that its actions were responsible for harms suffered by Florida, if any. This action was docketed as *State of Florida v. State of Georgia,* No. 142 Orig., S. Ct. Following multiple hearings over approximately five years by the U.S. Supreme Court and by Special Masters appointed by the U.S. Supreme Court, the Special Master issued a Report denying Florida's request for relief and finding for Georgia on all issues that the U.S. Supreme Court identified. *Fla. v. Ga.*, Report of Special Master at 7 (Dec. 11, 2019). Florida filed exceptions to the Report of the Special Master in the U.S. Supreme Court. In an opinion dated April 1, 2021, the U.S. Supreme Court overruled Florida's exceptions to the Special Master's Report and dismissed the case. Florida did not file a motion for reconsideration, therefore the case is closed.

Current ACF Litigation

On December 4, 2015, Georgia revised a prior request to the Corps asking the Corps to allocate storage space in Lake Lanier sufficient to meet Georgia's projected 2050 water supply needs. The Corps addressed Georgia's request in connection with updating its Water Control Manual for the ACF River Basin. On December 16, 2016, the Corps published the Final Environmental Impact Statement for the ACF

River Basin Master Water Control Manual Update and Water Supply Storage Assessment. On March 30, 2017, the Corps issued a Record of Decision adopting the water control plans and manuals for the ACF River Basin proposed in the Final Environmental Impact Statement, as well as the Water Supply Storage Assessment addressing Georgia's water supply request. The ACF Record of Decision authorized the Corps to enter into a water supply agreement with Georgia for the use of 254,170 acre-feet of storage in Lake Lanier. That contract was executed on January 20, 2021.

On April 5, 2017, the State of Alabama ("Alabama") filed a lawsuit in the United States District Court for the District of Columbia (the "D.C. District Court") challenging the ACF Record of Decision, the Corps' water control manuals, the Final Environmental Impact Statement, and the Water Supply Storage Assessment, asserting that the Corps' actions were contrary to law. This action was docketed as *State of Alabama v. U.S. Army Corps of Engineers, et al.*, D.D.C. District Court Case No. 1:17cv607. Georgia moved to intervene in this action on May 12, 2017 and was granted intervention on May 16, 2017. On June 30, 2017, Georgia moved to transfer this action. The D.C. District Court granted Georgia's motion on March 29, 2018, transferring the case to the United States District Court for the Northern District of Georgia. The transferred action was docketed as *State of Alabama v. U.S. Army Corps of Engineers, et al.*, N.D. Ga. District Court Case No. 1:18cv1529.

On April 27, 2017, the National Wildlife Federation, the Florida Wildlife Federation, and Apalachicola Bay and River Keeper, Inc. (the "Environmental Plaintiffs") also filed a challenge in the D.C. District Court to the ACF water control manuals and the Final Environmental Impact Statement. This action was docketed as *National Wildlife Federation, et al. v. U.S. Army Corps of Engineers, et al.*, D.D.C. District Court Case No. 1:17cv772. Georgia moved to intervene in this action on June 26, 2017 and was granted intervention on July 17, 2017. On August 15, 2017, Georgia moved to transfer this action. The D.C. District Court granted Georgia's motion on March 29, 2018, transferring the case to the United States District Court for the Northern District of Georgia. The transferred action was docketed as *National Wildlife Federation, et al. v. U.S. Army Corps of Engineers, et al.*, N.D. Ga. District Court Case No. 1:18cv1530.

On May 8, 2018, Judge Thrash of the United States District Court for the Northern District of Georgia (the "N.D. Ga. District Court") consolidated the two cases into a single action docketed as *In Re ACF Basin Water Litigation*, N.D. Ga. District Court Case No. 1:18-mi-043-TWT. In the summer of 2018, Georgia, along with the other two defendants, filed motions for partial judgment on the pleadings. The N.D. Ga. District Court entered an order on May 22, 2020 granting those motions and dismissing certain of Alabama's and the Environmental Plaintiffs' claims. All parties subsequently filed respective motions for summary judgment, responses, and replies. On August 11, 2021, the N.D. Ga. District Court entered an order denying the motions for summary judgment for plaintiffs Alabama and the Environmental Plaintiffs and granting the motions for summary judgment for Georgia and all defendants. On September 10, 2021, the Alabama filed a notice of appeal with the United States Court of Appeals for the Eleventh Circuit (the "Eleventh Circuit"). The Environmental Plaintiffs filed a notice of appeal on October 6, 2021. Both appeals are docketed as Case No. 21-13104. The Eleventh Circuit has yet to rule on those appeals. It is not possible to predict the duration or outcome of this case.

ACT River Basin Litigation

Prior ACT Litigation

In January 2013, Georgia submitted a request to the Corps for additional storage space from Lake Allatoona to support municipal and industrial water withdrawals beyond those that can be met under existing storage contracts. While Georgia's request was pending, the Corps was in the process of updating its Water Control Manual for the ACT River Basin. On November 7, 2014, the Corps published the Final

Environmental Impact Statement for Revised Water Control Manuals for the ACT River Basin, but did not address Georgia's pending water supply request. On November 7, 2014, Georgia sued the Corps in the N.D. Ga. District Court, alleging that the Corps unlawfully failed to prepare water control plans and manuals reflecting current operations in the ACT River Basin and that the Corps had unlawfully failed to respond to Georgia's water supply requests. Georgia also alleged that the Final Environmental Impact Statement failed to meet applicable legal standards. This action was docketed as *The State of Georgia v. The U.S. Army Corps of Engineers, et al.,* N.D. Ga. District Court Case No. 1:14cv3593. On May 4, 2015, the Corps issued a Record of Decision adopting the water control plans and manuals for the ACT River Basin. On May 4, 2015, Georgia amended its complaint to allege that the Record of Decision failed to meet applicable legal standards. Georgia and the Corps filed motions for summary judgment, and the N.D. Ga. District Court heard oral argument on those motions on August 15, 2017. On September 29, 2017, the N.D. Ga. District Court issued an order finding that the Corps had unreasonably delayed action on Georgia's revised water supply requests for storage at Lake Allatoona. On January 9, 2018, the N.D. Ga. District Court issued a Final Order directing the Corps to respond to Georgia's revised water supply request no later than March 1, 2021. The N.D. Ga. District Court retained limited jurisdiction over this action for the purpose of ensuring the Corps' compliance with the Final Order. On August 27, 2021, the Corps issued its Record of Decision granting Georgia's water supply request, and the Corps filed the Notice of Record of Decision with the N.D. Ga. District Court on August 30, 2021. On September 14, 2021, the N.D. Ga. District Court issued an Order directing that the case be closed.

Current ACT Litigation

On May 7, 2015, the State of Alabama and Alabama Power each filed challenges in the D.C. District Court to the Corp's May 4, 2015 ACT Record of Decision, the Corps' water control manuals, and the Final Environmental Impact Statement, asserting that the Corps' actions were contrary to law. Both challenges have been consolidated into one litigation. This action is docketed as *State of Alabama v. U.S. Army Corps of Engineers, et al.*, D.D.C. District Court Case No. 1:15cv696. Those claims, if successful, could affect the Corps' operation of Lake Allatoona, including future water supply allocation and storage. Georgia moved to intervene in this litigation on October 7, 2016, and the D.C. District Court granted Georgia's motion to intervene on March 31, 2017. The parties completed briefing on summary judgment motions on December 11, 2017, and the D.C. District Court has yet to rule on those motions.

On January 14, 2022, the Parties filed a Joint Notice and Motion to Set Schedule to notify the D.C. District Court of and request to brief two recent developments that implicated the facts and issues pending in front of the D.C. District Court: (i) the August 11, 2021 decision issued by Judge Thrash in the ACF Basin Water litigation and (ii) the Record of Decision issued by the Corps on August 27, 2021 regarding Lake Allatoona. On January 19, 2022, the D.C. District Court set the requested briefing schedule. On February 9, 2022, Georgia, along with local water supply providers, filed a supplemental motion for summary judgement arguing the preclusive effect of portions of Judge Thrash's August 11, 2021, decision required the D.C. District Court to dismiss certain portions of Alabama's pending claims. At the same time, Alabama moved to supplement its existing complaint to challenge the Corps' August 27, 2021 Record of Decision granting Georgia's water supply request. On April 25, 2022, the parties completed briefing on both motions. These two new motions, along with the original summary judgment motions, are pending with the D.C. District Court. It is not possible to predict the duration or outcome of this case.

Review of Medicaid Funding Arrangements for Nursing Facilities

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 report in November 2015 to the Department of Community Health ("DCH") concluding that certain funding arrangements for the payment of the State's share of upper payment limit payments to certain nursing homes owned by development authorities within the State were in violation of federal law and the State's Medicaid Plan. The report included a demand for the return of such upper payment limit payments for FY 2010 and FY 2011 in an aggregate amount of approximately $76.0 million and the return of 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 FY 2012 and FY 2013. DCH has taken no action to return the funds and appealed the demand. A response was received from CMS in November 2018 reaffirming its position. DCH requested reconsideration of the disallowance which was denied in March 2019. DCH subsequently filed an appeal with the CMS Departmental Appeals Board for resolution, which is the final regulatory level of administrative appeal. By April 2020, all parties had filed the necessary briefs and the parties now are awaiting a ruling. It is not possible to predict the duration or outcome of this matter; however, DCH believes it has meritorious defenses and is vigorously defending this action.

Authorization to Borrow for Funding of State Unemployment

The Federal Unemployment Account ("FUA") established by Title XII of the Social Security Act provides for loans to state unemployment programs to ensure a continued flow of unemployment benefits during times of severe economic downturn. Such borrowed funds must be used only if and when the Unemployment Compensation Fund is depleted, and all borrowed funds must be used only for the purpose of paying unemployment benefits to eligible persons. In July 2020, the Governor submitted the required letter to the U.S. Department of Labor, Secretary of Labor, applying for advances to the account of the State of Georgia in the Unemployment Trust Fund beginning with the month of August 2020 as a result of the adverse economic impacts of the COVID-19 pandemic upon Georgia's economy and the extremely high level of unemployment within the State; additional letters were submitted for additional months during both calendar years 2020 and 2021. All advances during calendar year 2020 were paid in full as of the end of calendar year 2020. Some advances were necessary during calendar year 2021, but all have been repaid. Georgia currently has no outstanding FUA loans, no remaining interest owed, no active Advance Authorization request, nor any current plans to consider making such a request. Approximately $1.8 billion of CRF funds have been used by the State to repay FUA borrowings during the COVID-19 pandemic. Any such FUA loans amounts in the future could be less or more than in the recent past, depending upon circumstances which are unforeseeable at the present time.

Cybersecurity Risks

Similar to other large government and business organizations, the State relies on complex information technology systems in the conduct of its operations. The protection of such systems and infrastructure is important to delivering government services. As both a recipient and provider of personal, private, and/or sensitive information, the State and its agencies and departments are threatened by cyber threats including, but not limited to, data compromise, ransomware attacks, data extortion and exfiltration, denial of service, and other attacks on computers and other critical systems and infrastructure. The State is committed to protecting the information assets of the State and its constituents from unauthorized disclosure, destruction, or modification and to ensure its availability when needed. All State agencies and employees have a fiduciary responsibility of due diligence and due care to that commitment. The State, through the Georgia Technology Authority's Office of Information Security, provides leadership in the development, delivery and maintenance of a cybersecurity program that safeguards the State's information technology assets against unauthorized use, disclosure, modification, damage or loss. This comprehensive statewide program encompasses information security implementation, monitoring, threat and vulnerability management, cyber incident management, and enterprise business continuity management. The State has defended against cyber attacks of varying levels of sophistication in the past and such attacks are an ongoing risk. No assurance can be given that the State's security measures will prevent cyber attacks in the future, nor can any assurance be given that such attacks in the future, if successful, would not have a material impact on the State's operations.

Environmental Risks

Certain areas of the State from time to time may be susceptible to hurricanes, storms and similar weather events such as tornadoes. In addition, the State in the past has experienced episodic drought, flooding in various drainage basins as a result of 100 year events, unusually extended durations of extreme heat or cold, and occasional wildfires. The State has responded effectively to past weather or environmental events because of its emergency response systems, regulatory programs focused on addressing weather and environmental risks, its own State government financial resources, and also disaster area relief programs of the federal government. The State, in part through its Environmental Protection Division, implements measures to protect: (i) air quality, by regulating automobile and truck engine emissions as well as emissions of manufacturing and chemical production/processing facilities, (ii) the land, by managing the disposal and treatment of solid waste and oversight of environmental remediation projects, and (iii) its watersheds and water resources to ensure safe and clean water, by instituting various regulatory wastewater treatment and protection programs, including monitoring, assessment, permitting, and planning. The impact on the State's economy, finances, and operations from weather and environmental risks cannot be determined or predicted.

INSURANCE

The type and amounts of insurance that are carried by the various departments of the State and the State's agencies and authorities are specified through contracts and other arrangements between the Department of Administrative Services and each such department, agency or authority entered into pursuant to the provisions of O.C.G.A. Title 50, Chapter 5 and other sections of the Official Code of Georgia Annotated. See "APPENDIX B – State of Georgia Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021" "Notes to the Financial Statements – Note 17: Risk Management" herein.

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APPENDIX B

State of Georgia Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2021

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Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

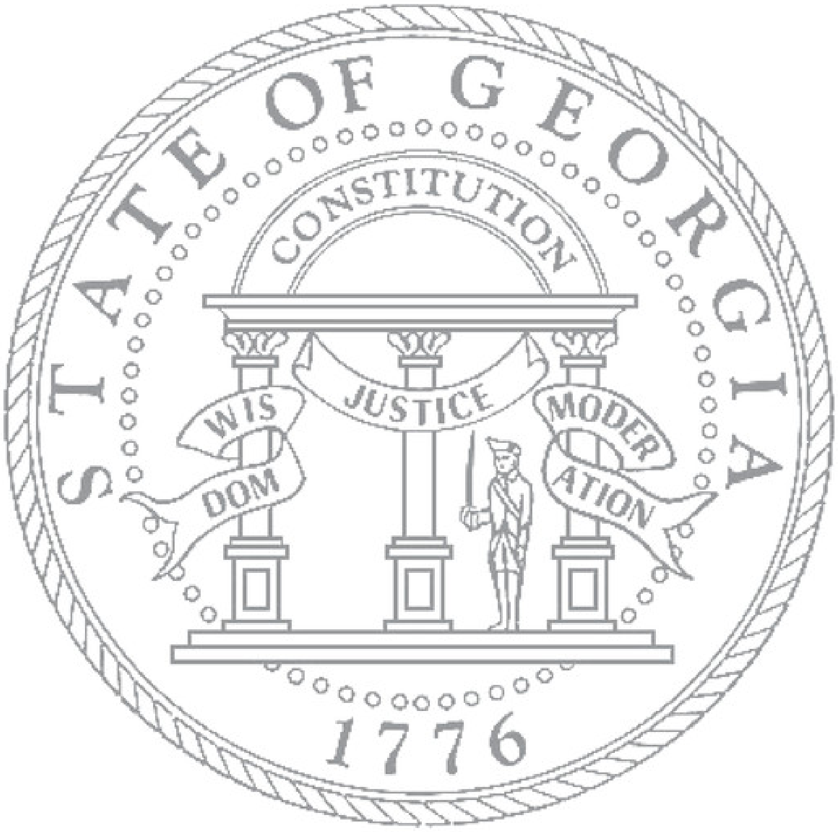
CMA CGM PASSES TYBEE ISLAND LIGHTHOUSE
Tybee Island, Georgia
Submitted by the Georgia Ports Authority

The CMA CGM Marco Polo passes the Tybee Island Lighthouse in May 2021. The vessel has a capacity of more than 16,000 twenty-foot equivalent container units, making it the largest containership ever to call on the Port of Savannah. www.gaports.com

State of Georgia

Annual Comprehensive Financial Report
For the fiscal year ended June 30, 2021

Prepared by:
State Accounting Office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INTRODUCTORY SECTION

THE VISITORS CENTER AT YARGO STATE PARK
Winder, Georgia
Submitted by the Department of Natural Resources

Brian P. Kemp
Governor

Gerlda B. Hines
State Accounting Officer

January 24, 2022

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, 2021, 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 10.7 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 v. 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 2021 can be found in the separately issued Budgetary Compliance Report (BCR) dated December 22, 2021.

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

This past year has brought unprecedented challenges to the state and its citizens. Faced with a crisis this nation has not seen for over a century, Georgia took decisive actions early to ensure that our state had the resources necessary to combat this threat while maintaining a balanced budget that preserved critical services for Georgians. To help drive that economic recovery, Georgia focused on restoring resources to K-12 education and higher education school systems to develop a skilled and labor-ready workforce, while continuing to expand and maintain critical transportation and logistics infrastructure, and providing financial assistance to rural communities to support innovation and economic development across the state.

Providing hardworking Georgians access to a high-quality education is essential to equip them with the foundational skills necessary in a 21st century workforce. This includes affordable access to the post-secondary education that is now a requirement for many well-paying jobs. While uncertain economic conditions during the spring and summer required making reductions to the budget across-the-board, funding for education and supporting our state's teachers remained the priority. Consequently, the amended fiscal year 2021 budget provided more than $647 million for K-12 education, fully funding enrollment growth and holding individual school systems harmless in the current fiscal year for any reductions in enrollment they have had this school year due to COVID-19. The budget also restored funding for enrollment growth for our higher education systems not included in the original fiscal year 2021 budget.

The education system is estimated to receive more than $3.5 billion in assistance through the federal Education Stabilization Fund, which will ensure our teachers and school systems have the resources needed to continue to provide every Georgian with a world class education even amidst the challenges of COVID-19.

During fiscal year 2021 State General Fund receipts deposited with the Office of the State Treasurer were $28.6 billion, which was 18.4% more than the final amended revenue estimate of $24.1 billion and 12.2% more than prior year 2020. This increase was due to an increase in personal income and retail sales in fiscal year 2021 thanks to early reopening of the state economy and unprecedented federal government stimulus spending as well as an increase in corporate income taxes, mainly from large businesses able to adapt to doing business in a pandemic. As a result, the balance of the RSR as of June 30, 2021 represented a sharp increase of $1.3 billion (44.9%), as well as the maximum 15% legal limit as compared to the prior year. Receipts in excess of the $2.3 billion RSR were reported as undesignated, regular surplus.

By statute, up to 1% of fiscal year 2021 net revenue collections of $285.9 million may be appropriated from the RSR in fiscal year 2022 for K-12 needs. As of the date of this report, the $4.3 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 2021) revenue collections.

ECONOMIC FACTORS AND OUTLOOK

The State is expecting a gradual return to the new normal in fiscal year 2022. As vaccinations continue, various sectors such as food service, entertainment and travel should increase. New business formation are expected to be strong with new companies and innovative products taking advantage of disruption to find buyers for their goods and services. 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

JUDICIAL

- Supreme Court
- Court of Appeals
- Superior Courts
- District Attorneys
- Judicial Agencies

EXECUTIVE

Constitutional Officers

- Lieutenant Governor
- Public Service Commission
- State School Superintendent
- Secretary of State
- Commissioner of Insurance
- Attorney General
- Commissioner of Agriculture
- Commissioner of Labor

Governor

- 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
- Department of Community Supervision
- Department of Corrections
- Department of Defense
- Department of Driver Services
- Department of Early Care and Learning
- 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

LEGISLATIVE

General Assembly
- Senate
- House of Representatives

Legislative Agencies

Department of Audits and Accounts

STATE OF GEORGIA

CONSTITUTION

WISDOM JUSTICE MODERATION

1776

State of Georgia

Principal State Officials
June 30, 2021

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*

Chuck Eaton.. *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:

Harold D. Melton.. *Chief Justice of the Supreme Court*

ACKNOWLEDGMENTS

The Georgia Annual Comprehensive Financial Report for the fiscal year ending June 30, 2021 was prepared by:

STATE ACCOUNTING OFFICE

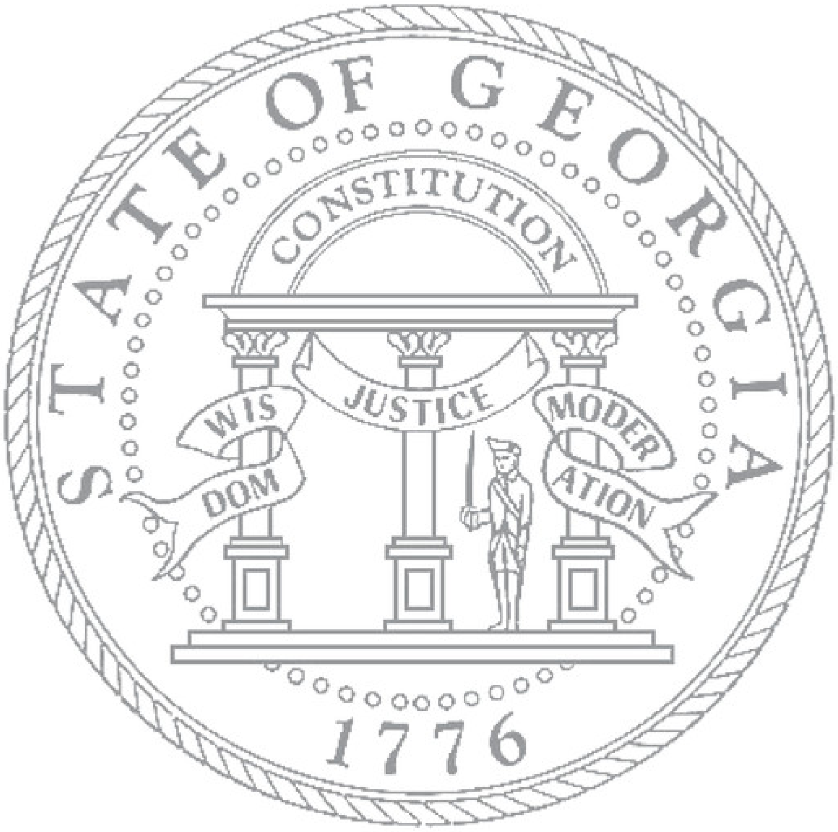
Kris Martins, Deputy State Accounting Officer, Financial Reporting

STATEWIDE ACCOUNTING AND REPORTING

Tanya Astin	Rachael Krizanek
Chelsea Bennett	Dan Lawson
Dylan Cleveland	Kim Le
Renita Coleman	Josie Ann Librada
Bobbie R. Davis	Bogdana Matano
Natasia Dyer	Vesna Mesihovic
Kristi Fuss	Phyllis Raines
Tessica Harvey	Anna Read
Metsehet Ketsela	Donna G. Winn

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.


STATE OF GEORGIA
CONSTITUTION
WISDOM
JUSTICE
MODERATION
1776

FINANCIAL SECTION

CHAMPIONSHIP CAMPUS
Atlanta, Georgia
Submitted by the Georgia World Congress Center Authority

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 Financial Statements

We were engaged to audit the accompanying financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Georgia (State), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Unemployment Compensation Fund.

We did not audit the financial statements of the following entities:

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, business-type activities, aggregate discretely presented component units, major governmental fund-General Obligation Bond Projects fund, and 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	3%	5%	2%
Business-Type Activities	2%	12%	0%
Aggregate Discretely Presented Component Units	82%	82%	86%
Governmental – General Obligation Bond Projects Fund	100%	100%	100%
Aggregate Remaining Fund Information	84%	86%	50%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the above mentioned entities, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The following financial statements were not audited 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 Southern University Housing Foundation, Inc. and Subsidiaries
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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the State's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 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.

Except for the matter described in the "Basis for Disclaimer of Opinion" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

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

Basis for Disclaimer of Opinion on 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 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.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" paragraph, 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 Unemployment Compensation Fund of the State. Accordingly, we do not express an opinion on these financial statements.

Unmodified Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund (except the Unemployment Compensation Fund), and aggregate remaining fund information of the State as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Notes 2 and 3 to the financial statements, in 2021, the State restated the prior period financial statements to correct misstatements. Our opinions are not modified with respect to this matter.

Other Matters

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, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The introductory section, accompanying supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying 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 auditing standards generally accepted in the United States of America 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated January 24, 2022 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 submitted,

Greg S. Griffin
State Auditor

January 24, 2022

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, 2021. 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 $30.1 billion. Contributing to this amount, a deficit of $7.7 billion was reported as unrestricted net position.

- Changes in Net Position - The State's total net position increased by $5.9 billion in fiscal year 2021 compared to the balances reported in the prior year. More specifically, net position of governmental activities increased by $6.5 billion while net position of business-type activities decreased by $621.8 million.

- Excess of Revenues over Expenses – Governmental Activities - The State's total revenues for governmental activities, which totaled $55.8 billion were $8.9 billion more than total expenses (excluding transfers). General revenues, which are primarily comprised of tax collections, totaled $29.6 billion, and program revenues, which primarily come from operating grants and contributions, totaled $26.2 billion.

Fund Level

- Governmental Funds – Fund Balances - The governmental funds reported combined ending fund balances of $15.9 billion. This amount represents an increase of $5.6 billion (53.8%) (as restated), when compared with the prior year. Of this total fund balance, $27.6 million (0.2%) represents nonspendable fund balance; $8.8 billion (55.5%) represents restricted fund balance; $21.1 million (0.1%) represents committed fund balance; $866.6 million (5.4%) represents assigned fund balance; and $6.2 billion (38.8%) represents unassigned fund balance.

- General Fund – Fund Balances - The General Fund ended the fiscal year with a total fund balance of $13.3 billion, of which $6.2 billion was classified as unassigned fund balance. Total revenues increased by $8.9 billion (19.2%) over the prior year.

- Enterprise Funds – Net position - The Enterprise Funds ended the fiscal year with a total net position of $3.6 billion. More specifically, the major funds areas with significant net positions were the Higher Education Fund of $2.4 billion, the Unemployment Compensation Fund of $407.0 million, and the State Health Benefit Plan (SHBP) of $602.0 million.

Long-term Debt

The long-term bond debt of the primary government, prior to restatements, increased $399.5 million (3.6%) during the fiscal year. The increase represents the net difference between new issuances and maturing principal payments. The amount owed for general obligation bonds increased by $344.9 million (more than 3.3%) for the primary government, while the amount owed for Grant Anticipation Revenue Vehicle (GARVEE) bonds/revenue bonds increased $54.6 million (6.4%) for the primary government. The State issued new bonded debt during the year in the amount of $1.6 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 $30.1 billion, which is comprised of $28.3 billion in net investment in capital assets, $9.5 billion in restricted net position, and an unrestricted portion of net position deficit of $7.7 billion.

Based on this measurement, no funds were available for discretionary purposes. However, a significant contributing factor is that governments recognize long-term liabilities on the government-wide statement of net position as soon as a liability has been incurred. Accordingly, the State recognizes long-term liabilities (such as general obligation debt, net pension and OPEB liabilities) on the statement of net position. While financing and budgeting functions focus on when such liabilities will be paid, this statement focuses on when a liability has been incurred. 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, 2021 and 2020 (amounts in thousands)

	Governmental Activities 2021	Governmental Activities 2020	Business-type Activities 2021	Business-type Activities 2020	Total Primary Government 2021	Total Primary Government 2020
Assets						
Non-Capital Assets	$ 29,982,408	$ 23,045,158	$ 5,480,053	$ 7,395,216	$ 35,462,461	$ 30,440,374
Net Capital Assets	26,291,186	25,279,036	11,550,357	11,637,688	37,841,543	36,916,724
Total Assets	56,273,594	48,324,194	17,030,410	19,032,904	73,304,004	67,357,098
Deferred Outflows of Resources	1,256,774	1,440,862	2,174,721	1,592,242	3,431,495	3,033,104
Liabilities						
Noncurrent Liabilities	17,217,404	16,659,093	13,243,047	12,098,034	30,460,451	28,757,127
Current Liabilities	12,476,323	11,172,896	1,279,759	2,968,570	13,756,082	14,141,466
Total Liabilities	29,693,727	27,831,989	14,522,806	15,066,604	44,216,533	42,898,593
Deferred Inflows of Resources	1,197,489	1,791,614	1,246,268	1,500,732	2,443,757	3,292,346
Net Position						
Net Investment in Capital Assets (1)	23,070,070	21,408,838	8,593,594	8,529,759	28,290,100	26,614,216
Restricted	7,834,065	6,342,472	1,689,450	1,872,318	9,523,515	8,214,790
Unrestricted (1)	(4,264,983)	(7,609,857)	(6,846,987)	(6,344,267)	(7,738,406)	(10,629,743)
Total Net Position	$ 26,639,152	$ 20,141,453	$ 3,436,057	$ 4,057,810	$ 30,075,209	$ 24,199,263
Percent Change in Total:						
Net Position from Prior Year	32.3 %		(15.3)%		24.3 %	
Percent Change after Restatements	29.5 %		(15.2)%		22.1 %	

(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 $6.5 billion (32.3%), and also increased by $6.1 billion (29.5%), when adjusted for restatements. The deficit unrestricted balance of $4.3 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, 2021, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $3.4 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, 2021, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $1.6 billion impact to unrestricted net position.

- The above deficit items are partially offset by $4.2 billion in the Revenue Shortfall Reserve (RSR) and additional $2.2 billion that was in excess of the 15% legal limit in the RSR.

Net position for business-type activities as originally reported decreased by $621.8 million (15.3%), and also decreased by $615.6 million (15.2%), when adjusted for restatements. The deficit unrestricted balance of $6.8 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, 2021, this liability, along with associated deferred outflows of resources and deferred inflows of resources, resulted in a $3.2 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, 2021, 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 2021. Consistent with the prior year, the State received a majority of its $78.7 billion in revenues from taxes and operating grants and contributions, including $16.5 billion of federal funds received to combat the COVID-19 pandemic. Expenses of the primary government during fiscal year 2021 were $73.3 billion with the increase over the prior year driven largely by education, health and welfare and increased unemployment benefit payments as a result of the COVID-19 pandemic. As a result of the excess revenues over expenses, the total net position of the primary government increased by $5.4 billion, before contributions to permanent endowments and transfers.

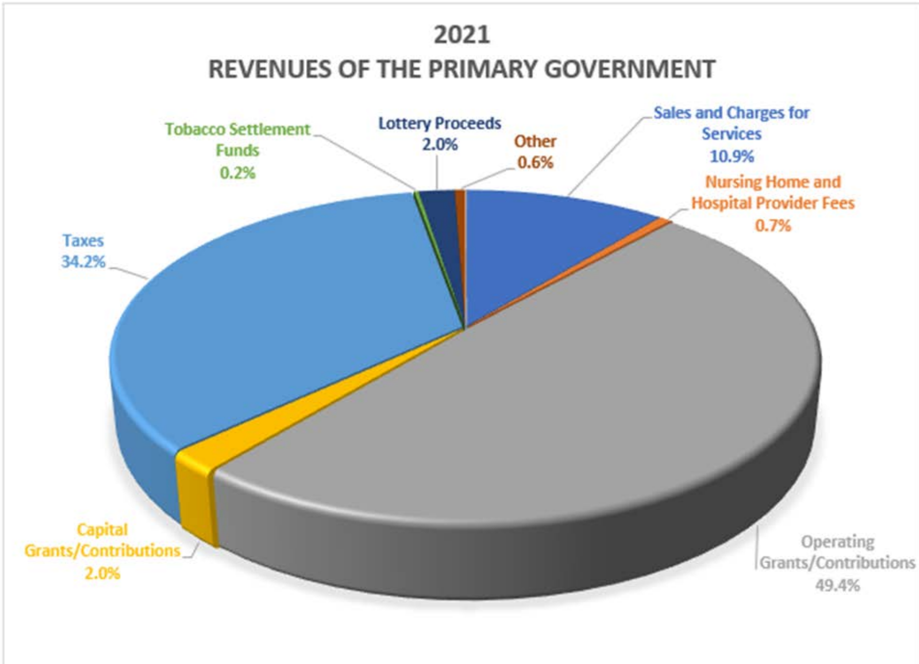
(Table on next page)

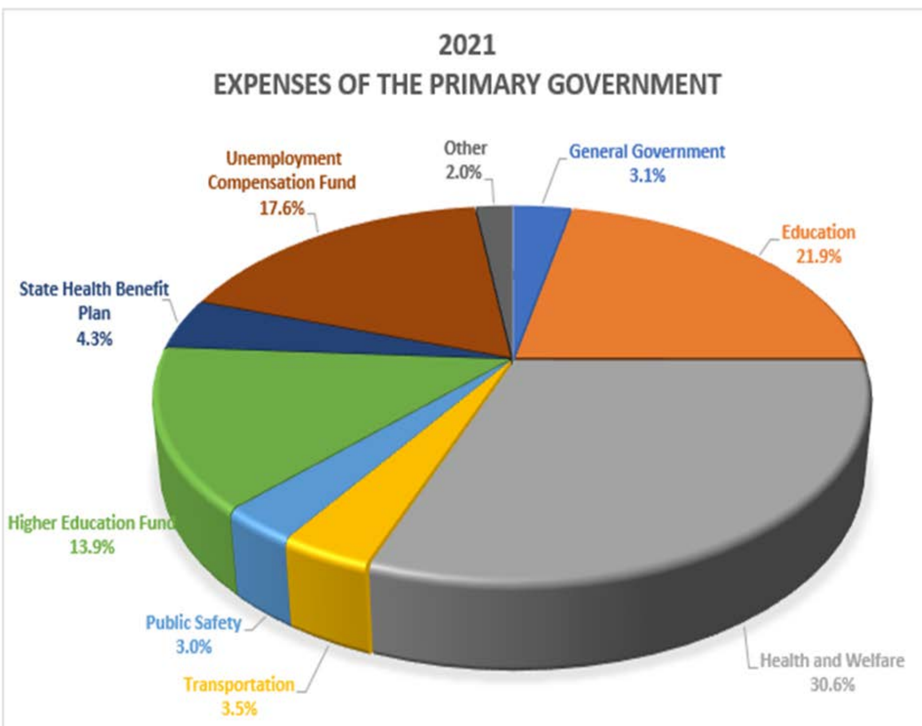
Table 2 - Changes in Net Position
For the Years Ended June 30, 2021 and 2020 (amounts in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2020 to 2021
Revenues:							
Program Revenues:							
Sales and Charges for Services	$ 1,429,602	$ 1,292,156	$ 7,181,240	$ 7,083,834	$ 8,610,842	$ 8,375,990	2.8%
Operating Grants/Contributions	23,237,101	17,728,046	15,698,794	11,723,271	38,935,895	29,451,317	32.2%
Capital Grants/Contributions	1,580,949	1,730,727	27,227	103,004	1,608,176	1,833,731	(12.3%)
General Revenues:							
Taxes	26,949,020	23,940,845	—	—	26,949,020	23,940,845	12.6%
Lottery for Education - Lottery Proceeds	1,544,954	1,237,345	—	—	1,544,954	1,237,345	24.9%
Nursing Home and Hospital Provider Fees	519,078	513,666	—	—	519,078	513,666	1.1%
Tobacco Settlement Funds	175,995	157,009	—	—	175,995	157,009	12.1%
Unrestricted Investment Income	15,468	148,822	—	—	15,468	148,822	(89.6%)
Unclaimed Property	179,098	141,925	—	—	179,098	141,925	26.2%
Other	171,346	185,350	—	—	171,346	185,350	(7.6%)
Total Revenues	55,802,611	47,075,891	22,907,261	18,910,109	78,709,872	65,986,000	19.3%
Expenses:							
General Government	2,305,031	1,580,323	—	—	2,305,031	1,580,323	45.9%
Education	16,048,419	14,744,905	—	—	16,048,419	14,744,905	8.8%
Health and Welfare	22,446,647	19,182,338	—	—	22,446,647	19,182,338	17.0%
Transportation	2,602,147	2,831,753	—	—	2,602,147	2,831,753	(8.1%)
Public Safety	2,196,467	2,557,268	—	—	2,196,467	2,557,268	(14.1%)
Economic Development and Assistance	492,212	414,177	—	—	492,212	414,177	18.8%
Culture and Recreation	296,593	291,934	—	—	296,593	291,934	1.6%
Conservation	65,701	59,402	—	—	65,701	59,402	10.6%
Interest and Other Charges on Long-Term Debt	415,166	309,200	—	—	415,166	309,200	34.3%
Higher Education Fund	—	—	10,208,186	10,355,168	10,208,186	10,355,168	(1.4%)
State Health Benefit Plan	—	—	3,173,666	2,735,542	3,173,666	2,735,542	16.0%
Unemployment Compensation Fund	—	—	12,925,409	10,229,884	12,925,409	10,229,884	26.3%
Nonmajor Enterprise Funds	—	—	87,827	204,559	87,827	204,559	(57.1%)
Total Expenses	46,868,383	41,971,300	26,395,088	23,525,153	73,263,471	65,496,453	11.9%
Increase (Decrease) in Net Position Before Contributions and Transfers	8,934,228	5,104,591	(3,487,827)	(4,615,044)	5,446,401	489,547	
Contributions to Permanent Endowments	—	—	731	964	731	964	
Transfers	(2,871,515)	(3,035,910)	2,871,515	3,035,910	—	—	
Change in Net Position	6,062,713	2,068,681	(615,581)	(1,578,170)	5,447,132	490,511	
Net Position July 1 - Restated	20,576,439	18,072,772	4,051,638	5,635,980	24,628,077	23,708,752	
Net Position June 30	$ 26,639,152	$ 20,141,453	$ 3,436,057	$ 4,057,810	$ 30,075,209	$ 24,199,263	24.3 %

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)


2021
REVENUES OF THE PRIMARY GOVERNMENT
Tobacco Settlement Funds 0.2%
Lottery Proceeds 2.0%
Other 0.6%
Sales and Charges for Services 10.9%
Nursing Home and Hospital Provider Fees 0.7%
Taxes 34.2%
Capital Grants/Contributions 2.0%
Operating Grants/Contributions 49.4%


2021
EXPENSES OF THE PRIMARY GOVERNMENT
Unemployment Compensation Fund 17.6%
Other 2.0%
General Government 3.1%
Education 21.9%
State Health Benefit Plan 4.3%
Higher Education Fund 13.9%
Public Safety 3.0%
Transportation 3.5%
Health and Welfare 30.6%

Governmental Activities

As part of the CARES Act in fiscal year 2020, the State of Georgia received $3.5 billion of Coronavirus Relief Funds. By June 30, 2021, $2.7 billion had been spent on COVID-19 relief. The remaining $821.2 million was reported as unearned revenue.

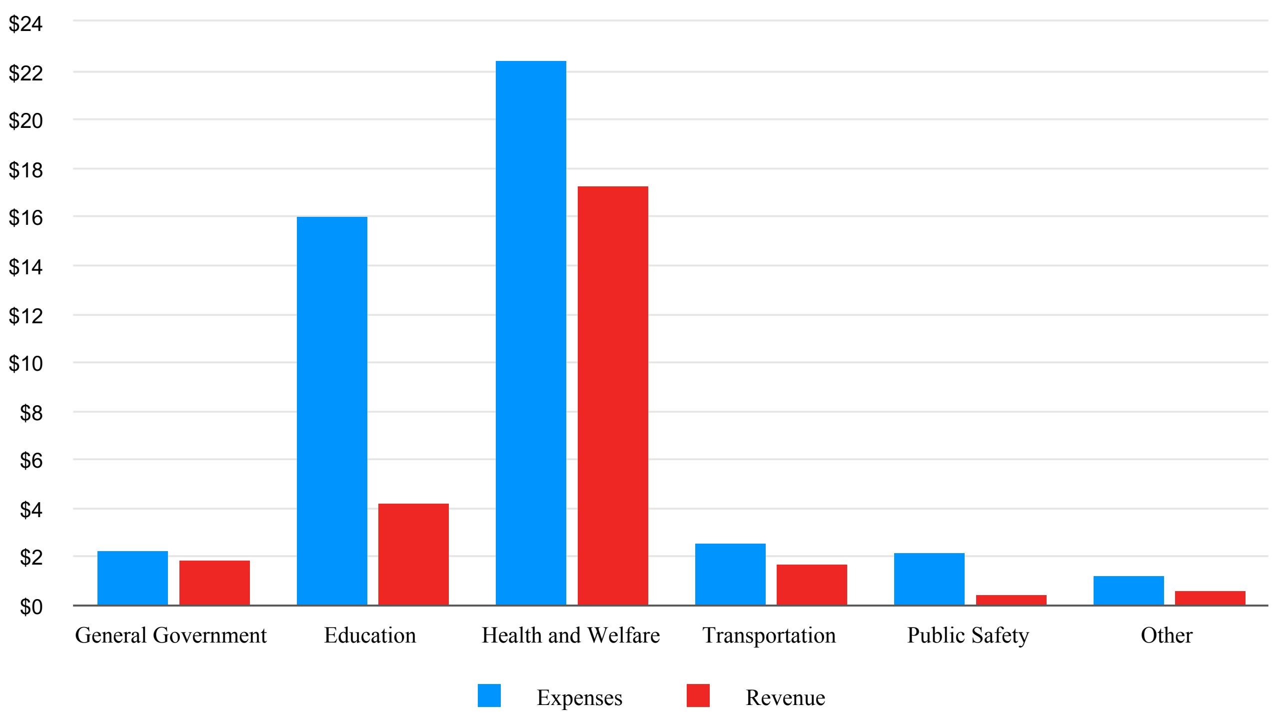
In addition, under the American Rescue Plan Act ARP; P.L. 117-2 (ARPA) of 2021, the State of Georgia received from the federal government $2.6 billion in fiscal year 2021. A second tranche of the same amount will be received in fiscal year 2022. Due to the timing of the funds being received, as of June 30, 2021, the full amount of the $2.6 billion of cash received is reported as unearned revenue.

The State's total revenues for governmental activities from all sources increased by $8.7 billion (18.5%). The primary driver of this change was an increase in operating grants and contributions of $5.5 billion (31.1%) which is a result of additional federal dollars, primarily in support of COVID-19 expenses. Also, there was an increase in tax revenue totaling $3.0 billion primarily due to increases in retail sales resulting from the implementation of a marketplace facilitator law that has increased collections from small online vendors, as well as actual growth in retail sales, and increased corporate income tax collections resulting from businesses that paid the most taxes during the pandemic. Governmental Activities expenses increased by $4.9 billion primarily as a result of expenses related to the COVID-19 pandemic.

The following table shows to what extent program revenues (charges for services and grants) covered program expenses. During fiscal year 2021, program revenues covered $26.2 billion (56.0%) of the $46.9 billion in total program expenses. For the remaining $20.6 billion (44.0%) of the total program expenses, the State relied on taxes and other general revenues.

Table 3 – Net Program Revenue

For the Year Ended June 30, 2021 (amounts in billions)



Business-type Activities

Net position of business-type activities (as restated) decreased by $615.6 million (15.2%) during the fiscal year. This decrease, primarily due to the COVID-19 pandemic, was attributable to current year unemployment payments made being $1.8 billion greater than premiums and operating grant revenues, which was partially offset by $1.2 billion of funds received from the CARES Act. In comparison to prior year, the State's business-type activities revenues increased by $4.0 billion (21.1%) and expenses increased $2.9 billion (12.2%), again primarily as a result of the COVID-19 pandemic.

Additionally, during the fiscal year, due to the COVID-19 pandemic the Unemployment Compensation Fund was depleted, and therefore loans totaling $1.1 billion were taken from the U.S. Department of Labor in order to continue paying claims. These loans were repaid prior to fiscal year end using CARES Act funds, and no loans were outstanding at June 30, 2021.

In fiscal year 2021, business-type activities expenses were funded 86.8% from program revenues compared to 80.4% in the prior year. The remaining expenses were funded by $2.9 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, 2021, the State's governmental funds reported a combined ending fund balance of $15.9 billion. Of this amount $8.8 billion (55.5%) is restricted for specific programs by constitutional provisions, external constraints, or contractual obligations and $6.2 billion (38.8%) 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 $13.3 billion as of fiscal year end. The net change in fund balance, prior to restatements, during the fiscal year was an increase of $4.9 billion (58.8%). The following major revenues, expenditures and other sources/uses contributed to the change in fund balance:

- Revenues - Revenues of the General Fund totaled $55.4 billion in the fiscal year, for increased of $8.9 billion (19.2%) over the prior year. The primary increases in revenues are a result of additional federal dollars, of which fiscal year 2021 revenues of $4.3 billion were primarily in support of COVID-19 expenses, and an increase in tax revenue primarily due to increases in retail sales resulting from the implementation of a marketplace facilitator law that has increased collections from small online vendors, as well as actual growth in retail sales, and increased corporate income tax collections resulting from businesses that paid the most taxes during the pandemic.

- Expenditures - Expenditures of the General Fund totaled $46.5 billion in the fiscal year, an increase of $4.7 billion (11.4%) over the prior year.

    - Education expenses increased $1.3 billion consistent with additional funds allocated in the fiscal year 2021 budget for increased expenditures related to COVID-19.

- Health and welfare increased by $3.3 billion. Increases of $1.0 billion at the Department of Community Health were due to increases for both Medicaid and Children's Health Insurance Program as a result of larger enrollment growth due to the COVID-19 pandemic, partially offset by lower utilization in each, as well as a change in the care management organizations (CMO) rate. The Department of Human Services had increases of $1.8 billion, primarily due to non cash assistance increases in Food Assistance programs due to the COVID-19 pandemic.

Capital Project Fund - General Obligation Bond Projects Fund

Fund balance in the General Obligation Bond Projects Fund increased by $159.6 million (12.5%) 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 $166.0 million (17.3%) 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 $118.3 million (5.2%).

Operating revenues of the Higher Education Fund decreased by $69.7 million (1.2%). This was primarily due to decreases in sales and services and auxiliary enterprises as a result of operating the full fiscal year during the pandemic as compared to less than a third of the prior fiscal year. Both decreases were greatly affected by safety measures implemented in order to protect the health of campus communities and the general public, thereby lowering exposure to COVID-19 pandemic. These decreases were partially offset by increases in Operating grants and contracts at the USG as it continues growth in its research activities, primarily at its four research institutions.

Operating expenses decreased by $128.9 million (1.3%) primarily due to reduced operating activities during the pandemic as well as supply chain issues. Additionally, travel expenses decreased from the prior year as only essential travel occurred throughout the fiscal year in order to maintain the safety and health of students, faculty and staff. Offsetting some of these decreases were increases in research operating expenses which follows the increase in operating grants and contracts revenue. The increase is due to strategies to reduce spending and reduced activities on campuses in response to the pandemic during the fourth quarter of fiscal year 2020.

Nonoperating revenues (net of expenses) increased $228.3 million (19.7%) primarily due to federal HEERF funds received, and increased investment income as market conditions recovered as compared to prior fiscal year end when there was greater uncertainty surrounding the pandemic.

Capital grants and contributions increased $101.7 million (57.3%), 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 addition, the Higher Education Fund received a decrease of $217.5 million (7.4%) of transfers in, primarily from the General Fund as a result of a decrease in current year State appropriations revenue.

State Health Benefit Plan

Operating revenues for SHBP increased by $252.1 million (8.9%) and operating expenses increased by $438.3 million (16.0%), which resulted in a corresponding decrease in operating income of $186.3 million. The decrease in operating income is primarily due to increases in membership of active employees and increased claims expense, likely a result of the COVID-19 pandemic.

Unemployment Compensation Fund

Georgia's unemployment rate decreased from 8.4% to 4.0% in fiscal year 2021. Even though the unemployment rate was lower at the end of fiscal year 2021, unemployment claims were significantly higher during the year and expenses increased $2.7 billion (26.3%) this year as compared to the prior year. This was due to twelve months of the COVID-19 pandemic occurring in fiscal year 2021 as opposed to only a few months in the prior year. The corresponding revenue, primarily comprised of federal funding, increased by $2.4 billion (27.9%). During the fiscal year, the unemployment fund also received $1.2 billion of nonoperating revenues from the CARES Act. In fiscal year 2021 ending net position decreased by $631.6 million as a result of benefit payments exceeding employer taxes and other revenues.

Additionally, during the fiscal year, the Unemployment Compensation Fund was exhausted because of the COVID-19 pandemic. Short-term loans totaling $1.1 billion were taken from the U.S. Department of Labor in order to continue paying claims. These loans were repaid prior to fiscal year end using CARES Act funds, and no loans were outstanding at June 30, 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The State's capital assets, prior to restatements, increased by a net $924.8 million (2.5%) during the year. The change consisted of a net increase in infrastructure of $296.1 million, as well as net increases in machinery and equipment, land, and buildings of $58.2 million, $217.2 million and $144.1 million, respectively and a decrease in software of $14.0 million. Additionally, construction in progress increased by $185.1 million.

At June 30, 2021, the State had General Fund commitments of $1.8 billion and Capital Project Fund commitments of $2.3 billion for highway infrastructure and bridge construction. The State Road and Tollway Authority had $298.2 million of commitments, which is comprised of $178.3 million for the I-16 at I-95 Interchange Reconstruction Project, $119.6 million for the I-285 at SR 400 Interchange Reconstruction Project, and $0.2 million for the I-85 Express Lanes Project. Also, the USG had $511.4 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 $2.2 million executed as of June 30, 2021.

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

(Table on next page)

Table 4 - Capital Assets, Net of Accumulated Depreciation						
As of June 30, 2021 and 2020 (amounts in thousands)	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Buildings/Building Improvements	$ 2,413,244	$ 2,310,619	$ 9,504,457	$ 9,463,020	$ 11,917,701	$ 11,773,639
Improvements Other Than Buildings	126,640	120,844	234,057	201,754	360,697	322,598
Infrastructure	13,695,232	13,389,282	234,222	244,104	13,929,454	13,633,386
Intangibles - Other Than Software	133,427	133,119	—	—	133,427	133,119
Land	4,881,106	4,650,971	507,732	520,684	5,388,838	5,171,655
Library Collections	—	—	167,243	169,119	167,243	169,119
Machinery and Equipment	482,178	411,912	575,617	587,702	1,057,795	999,614
Software	250,074	250,155	110,261	124,135	360,335	374,290
Works of Art and Collections	1,400	1,400	62,284	60,592	63,684	61,992
Construction in Progress	4,307,885	4,010,734	154,484	266,578	4,462,369	4,277,312
Total	$ 26,291,186	$ 25,279,036	$ 11,550,357	$ 11,637,688	$ 37,841,543	$ 36,916,724

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, 2021, the State was $1.3 billion below the annual debt service limit established by the Constitution.

Table 5 - Net Outstanding Bond Debt						
As of June 30, 2021 and 2020 (amounts in thousands)	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	$10,696,568	$10,351,636	$ —	$ —	$10,696,568	$10,351,636
GARVEE Bonds	604,046	397,825	—	—	604,046	397,825
Revenue Bonds	66,185	215,945	232,337	234,234	298,522	450,179
	$11,366,799	$10,965,406	$ 232,337	$ 234,234	$11,599,136	$11,199,640

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 $11.6 billion in total outstanding bonded debt. Of this amount $10.8 billion (net of premiums and discounts) (92.8%), is secured by the full faith and credit of the government for general obligation bonds and guaranteed revenue bonds; $232.3 million (2.0%), is secured primarily by lease arrangements with the Board of Regents or applicable security deed and related assignment of contract documents;

and $604.0 million (5.2%) 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 $344.9 million (3.3%), increased $206.2 million (51.8%), and decreased $151.7 million (33.7%) respectively, prior to restatements. During the fiscal year, the State issued $1.1 billion of general obligation bonds, excluding premiums, discounts, and refunding issues. Of the general obligation bonds issued, $378.6 million for K-12 school facilities, $302.7 million was issued for higher education facilities, $152.2 million for transportation projects, $128.7 million for economic development, $103.5 million for public safety, $16.5 million for public libraries, $5.1 million for water and sewer loans to local governments, and $51.8 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 2021 Budget Highlights

The Amended Fiscal Year 2021 (AFY 2021) appropriations bill was signed by the Governor on February 15, 2021 as passed by the General Assembly.

Revenues

The AFY 2021 budget increased the revenue estimate over the enacted budget by $704.0 million in general fund revenue. This assumes a state general fund revenue decline of 2.5% over the fiscal year 2020 state general fund revenue collections due to ongoing economic uncertainty resulting from the COVID-19 pandemic. The Amended revenue estimate removed the use of $250.0 million in Revenue Shortfall Reserves included in the enacted FY 2021 estimate and includes only the required K-12 mid-term adjustment from the RSR of $255.0 million. As a result of increased revenue estimates over the enacted budget, no additional across the board reductions were necessary for the final AFY 2021 budget.

(Table on next page)

Revenue Estimates Since FY 2020
(In millions)

	AFY 2020 Estimate	FY 2020 Actuals	FY 2021 Original Estimate	FY 2021 Gov Revised (Enacted)	AFY 2021 Estimate	Change Over FY 2020 Actuals	FY 2022 Estimate	Change Over AFY 2021 Estimate
General Funds								
Taxes: Revenue								
Income Tax - Individual	$12,299.24	$12,408.18	$12,653.11	$12,070.14	$12,469.38	0.5%	$12,738.71	2.2%
Income Tax - Corporate	1,408.49	1,232.95	1,536.12	770.12	788.64	-36.0%	880.78	11.7%
Sales and Use Tax-General	6,450.15	6,174.45	6,722.14	6,272.14	6,197.14	0.4%	6,649.08	7.3%
Motor Fuel	1,851.70	1,873.22	1,926.49	1,733.84	1,897.96	1.3%	1,954.04	3.0%
Tobacco Taxes	230.00	225.53	235.00	235.00	240.00	6.4%	240.00	0.0%
Alcoholic Beverages Tax	206.00	207.64	211.00	230.00	235.00	13.2%	239.7	2.0%
Property Tax	0.14	1.12	-	-	-	-	-	-
Motor Vehicle License Tax	390.00	379.72	380.00	385.00	385.00	1.4%	350.00	-9.1%
Title Ad Valorem Tax	640.00	661.39	700.00	455.00	600.00	-9.3%	598.00	-0.3%
Insurance Premium Tax	532.00	554.99	540.00	520.00	540.00	-2.7%	550.80	2.0%
Total Net Taxes	**$24,007.72**	**$23,719.18**	**$24,903.85**	**$22,671.23**	**$23,353.12**	**-1.5%**	**$24,201.11**	**3.6%**
Total Interest Fees and Sales	**1,731.47**	**1,759.74**	**1,727.91**	**1,475.96**	**1,493.28**	**-15.1%**	**1,582.12**	**5.9%**
Total State General Funds	**$25,739.19**	**$25,478.92**	**$26,631.77**	**$24,147.20**	**$24,846.40**	**-2.5%**	**$25,783.23**	**3.8%**
Lottery Funds	1,231..64	1,260.35	1,315.45	1,301.32	1,301.32	3.3%	1,319.16	1.4%
Tobacco Settlement Funds	155.888	158.31	160.56	210.56	160.56	1.4%	148.47	-7.5%
Brain and Spinal Injury Trust Fund	1.41	1.41	1.43	1.43	1.43	1.6%	1.36	-4.8%
Other State Revenue	-	1.06	-	-	0.30	0.0%	0.35	0.0%
Total State Treasury Receipts	**$27,128.12**	**$26,900.04**	**$28,109.20**	**$25,660.51**	**$26,310.01**	**-2.2%**	**$27,252.57**	**3.6%**
Supplemental Fund Sources								
Return of Audited Surplus	-	216.2	-	1.91	1.91	-	-	-
Revenue Shortfall Reserve	100	-	-	250		-	-	-
Mid-year Adjustment Reserve	255.71	255.71	-		254.79	-	-	-
TOTAL STATE TREASURY RECEIPTS	**$27,483.83**	**$27,371.95**	**$28,109.20**	**$25,912.42**	**$26,566.71**	**-2.90%**	**$27,252.57**	**2.60%**

Source: Governor's Office of Planning and Budget

Expenditures

The AFY 2021 budget fully funded growth needs in education and Medicaid and is structurally balanced with no reliance on one-time sources of funding:

- $567 million for the K-12 Quality Basic Education (QBE) funding formula to restore 60% of the austerity reduction included in the original fiscal year 2021 budget.
- $13 million reduction to the K-12 QBE funding formula, including $40 million for enrollment growth, $26 million for the State Charter Schools supplement, and a $79 million reduction to the Local Five Mill Share to account for increased local property digest revenue.
- $74 million for higher education to fund prior year formula growth not included in the original fiscal year 2021 base budget.
- $35 million for Disproportionate Share Hospitals offset by $47 million in savings in Medicaid expense growth.
- $421 million in savings due to the enhanced Federal Medical Assistance Percentage for Medicaid.
- $56 million to provide a $1,000 one-time pay supplement for state employees earning less than $80,000 to recognize additional work duties stemming from the COVID-19 pandemic.
- $200 million for the Department of Transportation.
- $26 million for vehicles and equipment for state agencies.
- $25 million for Forestland Protection grants to meet projected need.
- $20 million to establish a Rural Broadband Infrastructure Grant Program within the OneGeorgia Authority.

The American economy went through more upheaval in 2020 than in any year in U.S. history. Unemployment went from record lows to near-depression-level highs and back to nearly normal in a period of roughly nine months. Georgia saw its unemployment rate go from 3% to double digits and back to between 5 and 6% in that same time period of March to December 2020. By early 2021, Georgia's economy was healthy and helping to lead the national economic recovery. Georgia's earlier reopening, combined with strong safety protocols for businesses, allowed Georgia to regain and maintain employment and grow incomes at a faster rate than almost any other state (see the CNN/Opportunity Insight Recovery Tracker for comparisons). Consumer confidence drawn from the restoration of near-normal levels of employment and incredibly generous federal handouts to both the employed and unemployed supported the Georgia (and national) economy, with Georgia seeing rising personal incomes and retail sales. In addition, new business formation in Georgia ran well ahead of 2019 pace throughout 2020 as entrepreneurs saw openings for new business ideas or chances to replace closed establishments. Georgia ended fiscal year 2021 about 75,000 jobs short of a complete recovery, but those jobs will likely return as soon as the hospitality (particularly the business convention) industry returns to full strength and the last school fully reopens.

Georgia had a state nonfarm employment of 5.02 million in February 2020, just before the pandemic impact began (all data from US BLS). In April 2020, state employment hit bottom at 4.37 million, meaning that 650,000 people (13% of the workforce) were no longer working. Employment recovered quickly, plateauing at roughly 4.5 million employed through the summer of 2020, 4.6 million in August and September, 4.8 million from October to December, and reaching 4.90 million in February 2021. By the end of the fiscal year essentially 100% of the still missing jobs were in the hospitality industry.

Retail sales have been a particularly bright spot for Georgia's economy. Using the July-March collection period (representing June 2020 – February 2021 sales) so as to avoid comparisons involving months when much of the economy was shut down at the beginning of the pandemic, Georgia's gross sales tax collections are up 7.7% on a year-over-year basis. Some of this is due to the implementation of a marketplace facilitator law that has increased collections from small online vendors, but around half of the growth is true growth in retail sales. Even with the reduction in business volume among the service sector, the goods sector, particularly consumer durables, has managed to more than pick up the slack. The federal government's unprecedented financial support of households has combined with business ingenuity and modern technology to find ways for commerce to continue even during a pandemic with public health policies designed to minimize interpersonal interaction. With households having used some of that federal money to pay down consumer debt and increase savings, solid growth in retail sales (and hence sales tax revenues) is expected to continue for at least several years to come.

Corporate income tax collections have been surprisingly strong through the pandemic, supporting a more stable state budget situation than in typical recessions. This appears to be a combination of the fact disposable income did not fall more than temporarily, the greater-than-in-the-past ability of businesses to use e-commerce and technology to continue doing business without much personal interaction, and the selection of industries that were most affected by the public health restrictions and associated consumer fears. Analysis of industry-specific data for corporate income taxes historically collected in Georgia reveal that the restaurant, accommodation, and entertainment sectors did not pay much in income taxes during good economic times, so the economic pain they suffered over the past year did not translate into much lost revenue for the state. Conversely, the businesses that paid the most in corporate taxes—financial and professional services, some large manufacturers and retailers, and telecommunications and information technology companies—were the businesses that did best during the pandemic. It is anticipated that most businesses will be in much sounder financial footing than commonly thought as the economy returns fully to normal.

The Georgia Ports Authority reported record volumes in 2020, with strong growth in the second half of the year more than compensating for a slowdown early in the pandemic. While total cargo volume was up 1.8% on an annual calendar year basis, December 2020 volume in tons was up 12.5% compared to December 2019, volume was up 24% by container unit (TEUs), and December rail volume was up 16.4% year over year. The strength of the Georgia ports will support all industries in Georgia as it boosts transportation, warehousing, and distribution, as well as providing market access for retailers and manufacturers who need to procure manufacturing inputs or products to sell, and to ship finished products to customers around the world. Major infrastructure projects nearing completion will support continued growth of volume through the ports.

The sectors of the Georgia economy that are still the most impacted are travel, conventions, accommodations, restaurants, and personal services. With those sectors highly concentrated in the Atlanta metro, it is not surprising that over 80% of the still-missing jobs in Georgia are missing from the Atlanta metro, compared to its roughly 60% share of state employment. The overall diversification of Georgia's economy has contributed to Georgia's solid recovery over the past year, so while some sectors are still impacted, those sectors are not so dominant as to create significant harm to the state's economy as the whole.

Revenue Shortfall Reserve (RSR)

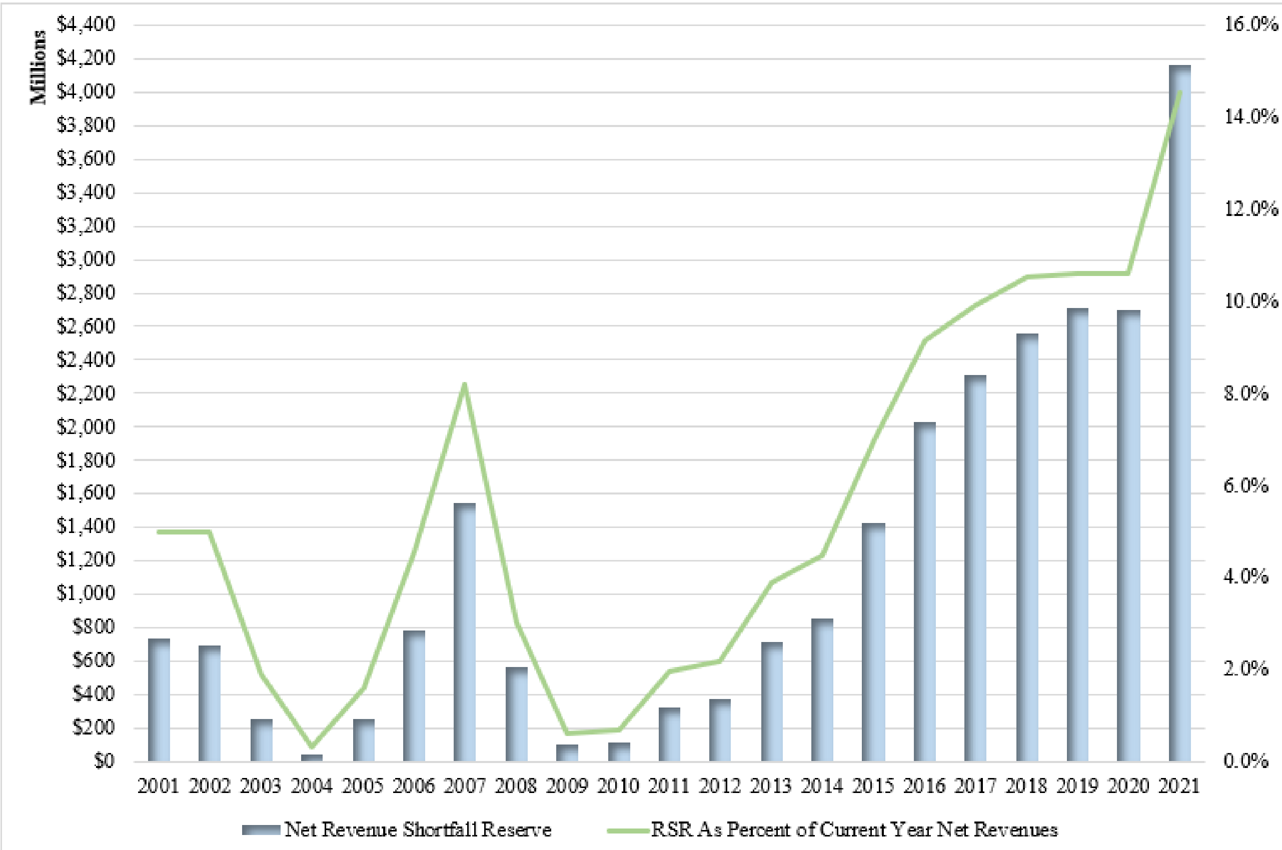
The RSR provides for the sound management of excess revenue collections in any given fiscal year. By statute, all surplus State funds existing at the end of each fiscal year shall be reserved and added to the RSR. Each fiscal year, the General Assembly may appropriate from the RSR an amount up to 1% 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 2021 state general fund receipts/net revenue collections ($285.9 million) is available from the RSR for the mid-year K-12 education appropriation adjustment in the amended fiscal year 2022 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 the pandemic, 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, 2021 is $4.2 billion. Current state law provides that the reserve cannot exceed 15% of the previous fiscal year's net revenue. In fiscal year 2021, the 15% legal limit was exceeded and the receipts in excess of the 15% ($2.2 billion) were reported as unreserved, undesignated surplus. Prior to mid-year adjustment for education, this represents a sharp increase of $1.4 billion from fiscal year 2020, and after the mid-year adjustment for education, an increase of $1.2 billion (3.7%) from fiscal year 2020.

(Graph on next page)

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



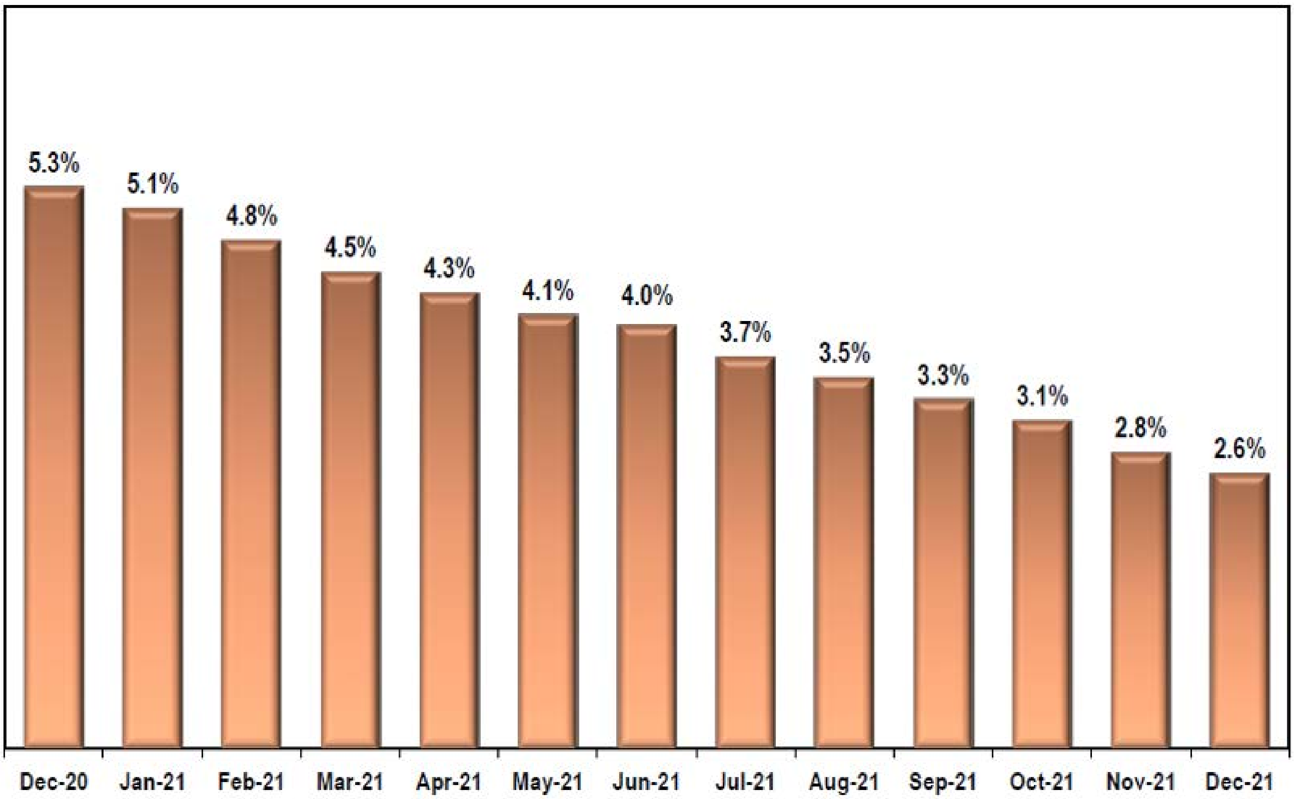
Source: State Accounting Office

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Outlook

The major economic issue of 2021 was and remains labor. Strong incomes have led to record sales at many Georgia businesses and strong demand for many sectors that were closed or restricted earlier in the pandemic (such as hospitality) has resulted in help wanted signs on almost every business and a shortfall of workers in many places. In September 2021, Georgia led the nation in job openings and was #4 in hiring rate. Unfortunately, the separation rate (the percent of employees who quit or are fired) equaled the rate employees were being hired, so Georgia businesses are having difficulty reducing their number of open positions. This heightened labor market churn is due to a combination of rapidly rising wages offered by employers in need of more workers allowing existing workers to switch jobs at higher rates than normal and employers taking chances on workers with less experience or fewer qualifications than normal and subsequently having to fire some of them. Further lengthening the time it is taking for businesses to fill all their open positions are hiring capacity constraints (you can only interview, hire, and train so many people per month) and the fact that some previous workers are remaining out of the labor force due to a variety of personal factors (leaving the state's official unemployment rate at record low of 3.1%).

Georgia Unemployment Rate
(Seasonally Adjusted)



Source: Georgia Department of Labor - Mark Butler, Commissioner

With federal aid for rural and economic development already provided to state and local governments along with a federal infrastructure plan under consideration in Congress, the Georgia economy should be supported over the next several years with significant federal dollars which will allow the state economy to be even stronger than it was before the pandemic. Thus, Georgia is entering its fiscal year 2022 in solid financial condition with a balanced budget, a healthy state reserve fund, and expectations for a growing economy across all sectors and geographies.

Looking forward to fiscal year 2022 (starting in July 2021), a gradual return to normal is expected. With vaccination likely concluding in the first half of the fiscal year, sectors such as food service, entertainment, and travel should see gains. This will be important for the economic recovery in the Atlanta metro, which has suffered from the lack of business travel and cancelled conventions. As these hard-hit sectors recover, those who gained during the pandemic, such as home improvement, will see declines back toward their pre-pandemic levels. Some changes are likely permanent (more video conferencing, more online shopping), but fiscal 2022 will still see some normalization of baseline spending patterns as people gain confidence that the pandemic has been brought under control. Finally, as is typical emerging from recessions, new business formation should be strong with new companies and innovative products taking advantage of disruption to find buyers for their goods and services. Georgia should gain considerably from such entrepreneurship as it continues to be ranked the number one state in which to do business.

Fiscal Year 2022 Budget Highlights

The fiscal year 2022 budget is built on State general fund revenue growth of 3.8% compared to the AFY 2021 budget estimate which provides an additional $1.4 billion in general funds over the original adopted fiscal year 2021 base.

The budget is structurally balanced with no one-time revenue sources and fully funds expected growth in education, Medicaid, and retirement system needs with no additional across-the-board reductions to state agencies:

- $577 million for the K-12 QBE funding formula to restore 60% of the austerity reduction included in the original fiscal year 2021 budget.
- $38 million for K-12 QBE enrollment growth, Equalization funding, and the State Charter School Supplement.
- $74 million for higher education to fund prior year formula growth not included in the original fiscal year 2021 base budget.
- $66 million for higher education for current year formula growth.
- $67 million to fully fund the Actuarially Determined Employer Contribution for the Teachers Retirement System.
- $164 million for Medicaid and PeachCare to fund program growth, adjustments to FMAP and eFMAP rates, and Medicare Part B and D adjustments.
- $35 million for the Indigent Care Trust Fund to fully fund annual needs in the base budget.
- $224 million in operational funding and $100 million in capital funding for the Department of Transportation.
- $25 million for Forestland Protection Act grants to fully fund annual needs in the base budget.
- $40 million to establish a new Rural Innovation Fund within the OneGeorgia Authority.
- $10 million to annualize the Rural Broadband Infrastructure grant program within the OneGeorgia Authority.
- $983 million capital outlay package prioritizing maintaining existing state assets.

As in fiscal year 2021, the fiscal year 2022 budget assumes one quarter of FMAP savings due to the enhanced FMAP rate during the declared public health emergency based on communication from the federal government that the declaration is likely to last through the end of calendar year 2021. This would provide for an additional quarter of savings in the AFY 2022 budget if the enhanced rate is continued through 2021.

Education

- $1.5 million in lottery funds for training and experience growth for Pre-K teachers.
- ◦ $69.5 million reduction for enrollment decline and training and experience to recognize a 2.1% decrease in enrollment, bringing the total number of full-time equivalent (FTE) students funded in FY 2022 to 1.72 million students and over 135,000 teachers and administrators.
- $71.9 million for the QBE Equalization program to assist low-wealth school systems.
- $59.5 million for resident instruction to reflect a .08% increase in credit hour enrollment and a 0.5% increase in square footage at University System institutions.
- $6 million for technical education to reflect a 1.6% increase in credit hour enrollment and a 3.5% increase in square footage at system institutions.

Community Health

- $329.4 million for Medicaid and PeachCare, including $64 million in new funding for program growth, $165 million to restore the first quarter of the 6.2% enhanced Federal Medical Assistance Percentage (FMAP) due to the COVID-19 Public Health Emergency, $51 million to restore the retro rate amendment and risk corridor reduction in FY 2021, $36 million to offset a reduction in the FMAP and eFMAP rates, $6.3 million for the hold harmless provision in Medicare Part B premiums, and $6.5 million for the Medicare Part D clawback.
- $38.5 million in savings due to the repeal of the federal Health Insurer Provider Fee.

Human Services

- $8.2 million for the implementation of the Patients First Act (2019 Session) including $0.9 million for additional eligibility staff.
- $0.4 million for the Safe Harbor for Sexually Exploited Children Fund Commission to reflect collections pursuant to SB 8 (2015 Session).

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, 2021
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents	$ 5,813,978	$ 1,341,328	$ 7,155,306	$ 977,179
Pooled Investments with State Treasury	13,785,709	1,381,493	15,167,202	1,857,866
Investments	2,205,388	620,373	2,825,761	1,524,881
Receivables (Net)	6,640,331	876,606	7,516,937	5,722,244
Due from Primary Government	—	—	—	55,133
Due from Component Units	172,384	486,427	658,811	—
Internal Balances	446,026	(446,026)	—	—
Inventories	40,582	25,250	65,832	35,137
Prepaid Items	73,203	106,080	179,283	54,102
Other Assets	52,491	1,777	54,268	223,721
Restricted Assets				
Cash and Cash Equivalents	—	735,278	735,278	485,293
Pooled Investments with State Treasury	420,620	34,380	455,000	125,091
Investments	—	303,958	303,958	5,062,619
Receivables (Net)	—	—	—	1,562,998
Net Pension Asset	90,146	—	90,146	—
Net OPEB Asset	241,550	13,129	254,679	3,377
Capital Assets				
Nondepreciable	9,323,617	719,797	10,043,414	1,106,302
Depreciable (Net of Accumulated Depreciation)	16,967,569	10,830,560	27,798,129	3,602,945
Total Assets	56,273,594	17,030,410	73,304,004	22,398,888
Deferred Outflows of Resources	1,256,774	2,174,721	3,431,495	186,233
Liabilities				
Accounts Payable and Accrued Liabilities	2,796,620	289,714	3,086,334	399,181
Local Education Agencies Payable	1,292,401	—	1,292,401	—
Due to Primary Government	—	—	—	658,811
Due to Component Units	44,863	10,270	55,133	—
Benefits Payable	2,399,188	473,010	2,872,198	—
Accrued Interest Payable	235,930	1,949	237,879	35,075
Contracts Payable	46,508	21,710	68,218	73,444
Funds Held for Others	151,201	19,535	170,736	75,327
Unearned Revenue	4,258,722	444,496	4,703,218	268,459
Claims and Judgments Payable	1,034,654	1,100	1,035,754	370
Other Liabilities	216,236	17,975	234,211	1,162,093
Noncurrent Liabilities:				
Due within one year	1,127,773	323,128	1,450,901	257,034
Due in more than one year				
Net Pension Liability	4,191,085	4,265,063	8,456,148	258,182
Net OPEB Liability	913,136	5,457,512	6,370,648	162,762
Other Noncurrent Liabilities	10,985,410	3,197,344	14,182,754	5,518,561
Total Liabilities	29,693,727	14,522,806	44,216,533	8,869,299
Deferred Inflows of Resources	1,197,489	1,246,268	2,443,757	54,529

(continued)

Statement of Net Position
June 30, 2021
(amounts in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net Position				
Net Investment in Capital Assets [1]	23,070,070	8,593,594	28,290,100	3,658,653
Restricted for:				
Bond Covenants/Debt Service	618,267	329,693	947,960	97,269
Capital Projects	—	10,032	10,032	246,561
Guaranteed Revenue Debt Common Reserve Fund	24,180	—	24,180	—
Loan and Grant Programs	—	—	—	1,994,630
Lottery for Education	1,736,480	—	1,736,480	—
Motor Fuel Tax Funds	3,886,591	—	3,886,591	—
Nonexpendable:				
Permanent Trust	—	230,222	230,222	3,083,877
Other Programs	—	—	—	70,000
Other Benefits	—	408,323	408,323	—
Other Purposes	1,568,547	304,221	1,872,768	450,681
Permanent Trust Expendable	—	—	—	1,233,235
Unemployment Compensation Benefits	—	406,959	406,959	—
Unrestricted [1]	(4,264,983)	(6,846,987)	(7,738,406)	2,826,387
Total Net Position	$ 26,639,152	$ 3,436,057	$ 30,075,209	$ 13,661,293

[1] Refer to Note 4 for additional details

State of Georgia

Statement of Activities

For the Fiscal Year Ended June 30, 2021

(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	$ 2,305,031	$ 838,181	$ 1,016,362	$ 32,924
Education	16,048,419	12,188	4,188,475	—
Health and Welfare	22,446,647	97,934	17,192,547	2,055
Transportation	2,602,147	66,039	127,751	1,539,356
Public Safety	2,196,467	184,815	292,841	2,508
Economic Development and Assistance	492,212	48,002	307,537	—
Culture and Recreation	296,593	176,639	90,827	3,675
Conservation	65,701	5,804	20,761	431
Interest and Other Charges on Long-Term Debt	415,166	—	—	—
Total Governmental Activities	46,868,383	1,429,602	23,237,101	1,580,949
Business-type Activities:				
Higher Education	10,208,186	3,490,490	3,828,447	27,227
State Health Benefit Plan	3,173,666	3,079,378	740	—
Unemployment Compensation	12,925,409	570,965	11,746,215	—
Other Business-type Activities	87,827	40,407	123,392	—
Total Business-type Activities	26,395,088	7,181,240	15,698,794	27,227
Total Primary Government	$ 73,263,471	$ 8,610,842	$ 38,935,895	$ 1,608,176
Component Units				
A U Health Systems, Inc.	$ 1,140,154	$ 1,047,410	$ 13,224	$ 4,501
Georgia Environmental Finance Authority	44,594	25,324	94,651	—
Geo. L. Smith II Georgia World Congress Center Authority	163,243	26,292	4,341	—
Georgia Housing and Finance Authority	185,079	104,130	91,862	—
Georgia Lottery Corporation	5,817,864	5,806,919	168	—
Georgia Ports Authority	425,506	615,429	14,314	8,473
Georgia Tech Foundation, Incorporated	119,560	24,879	577,028	—
Nonmajor Component Units	2,428,103	637,753	2,331,278	27,606
Total Component Units	$ 10,324,103	$ 8,288,136	$ 3,126,866	$ 40,580

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
$ (417,564)		$ (417,564)	
(11,847,756)		(11,847,756)	
(5,154,111)		(5,154,111)	
(869,001)		(869,001)	
(1,716,303)		(1,716,303)	
(136,673)		(136,673)	
(25,452)		(25,452)	
(38,705)		(38,705)	
(415,166)		(415,166)	
(20,620,731)		(20,620,731)	
	$ (2,862,022)	(2,862,022)	
	(93,548)	(93,548)	
	(608,229)	(608,229)	
	75,972	75,972	
	(3,487,827)	(3,487,827)	
(20,620,731)	(3,487,827)	(24,108,558)	
			$ (75,019)
			75,381
			(132,610)
			10,913
			(10,777)
			212,710
			482,347
			568,534
			1,131,479
13,699,488	—	13,699,488	—
7,268,260	—	7,268,260	—
1,779,560	—	1,779,560	—
1,139,049	—	1,139,049	—
1,741,239	—	1,741,239	—
1,321,424	—	1,321,424	9,434
1,544,954	—	1,544,954	—
519,078	—	519,078	—
175,995	—	175,995	—
15,468	—	15,468	350,064
179,098	—	179,098	—
171,346	—	171,346	—
—	—	—	107,584
—	731	731	127,459
(2,871,515)	2,871,515	—	—
26,683,444	2,872,246	29,555,690	594,541
6,062,713	(615,581)	5,447,132	1,726,020
20,576,439	4,051,638	24,628,077	11,935,273
$ 26,639,152	$ 3,436,057	$ 30,075,209	$ 13,661,293

Balance Sheet
Governmental Funds
June 30, 2021
(amounts in thousands)

	General Fund	General Obligation Bond Projects Fund	Nonmajor Funds	Total
Assets				
Cash and Cash Equivalents	$ 4,519,894	$ 281,837	$ 996,752	$ 5,798,483
Pooled Investments with State Treasury	13,617,134	—	11,626	13,628,760
Investments	751,305	1,342,039	90,118	2,183,462
Receivables (Net)	6,489,850	—	34,662	6,524,512
Due from Other Funds	15,126	—	676	15,802
Due from Component Units	172,315	—	—	172,315
Inventories	20,986	—	1	20,987
Restricted Assets				
Pooled Investments with State Treasury	61,395	—	359,225	420,620
Other Assets	437,621	—	—	437,621
Total Assets	$ 26,085,626	$ 1,623,876	$ 1,493,060	$ 29,202,562
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts Payable and Other Accruals	$ 2,611,088	$ 84,643	$ 50,705	$ 2,746,436
Due to Other Funds	663,673	17,550	13,857	695,080
Due to Component Units	44,864	—	—	44,864
Local Education Agencies Payable	1,292,401	—	—	1,292,401
Benefits Payable	2,399,188	—	—	2,399,188
Contracts Payable	20,550	25,957	—	46,507
Undistributed Local Government Sales Tax	3,200	—	—	3,200
Funds Held for Others	149,834	—	—	149,834
Unearned Revenue	4,296,826	2,846	272,991	4,572,663
Other Liabilities	97,750	41,132	—	138,882
Total Liabilities	11,579,374	172,128	337,553	12,089,055
Deferred Inflows of Resources	1,157,138	10,900	—	1,168,038
Fund Balances:				
Nonspendable	27,612	—	—	27,612
Restricted	6,297,540	1,404,920	1,143,558	8,846,018
Unrestricted				
Committed	21,145	—	—	21,145
Assigned	818,728	35,928	11,949	866,605
Unassigned	6,184,089	—	—	6,184,089
Total Fund Balances	13,349,114	1,440,848	1,155,507	15,945,469
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 26,085,626	$ 1,623,876	$ 1,493,060	$ 29,202,562

Reconciliation of Fund Balances
To the Statement of Net Position
June 30, 2021
(amounts in thousands)

Total Fund Balances - Governmental Funds (from previous page)		$ 15,945,469
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	$ 4,859,211	
Buildings and Building Improvements	4,116,552	
Improvements Other Than Buildings	169,945	
Machinery and Equipment	1,404,063	
Infrastructure	35,167,305	
Construction in Progress	4,301,016	
Works of Art	126	
Intangibles - Other Than Software	134,984	
Software	582,380	
Accumulated Depreciation	(24,817,366)	25,918,216
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	1,128,008	
Amount on refunding of bonded debt	(427)	
Related to OPEB	(989,689)	
Related to pensions	(152,908)	(15,016)
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.		642,575
Deferred outflows of resources are not reported in the governmental funds:		
Amount on refunding of bonded debt	21,774	
Related to OPEB	332,954	
Related to pensions	885,936	1,240,664
Other assets not available in the current period and therefore are not reported in the governmental funds:		
Net OPEB Asset	237,390	
Net Pension Asset	90,146	327,536
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	(9,628,150)	
Premiums	(1,068,418)	
Accrued Interest Payable	(234,373)	
Revenue Bonds	(552,135)	
Premiums	(118,096)	
Accrued Interest Payable	(1,557)	
Capital Leases	(288,452)	
Compensated Absences	(364,046)	
Long-Term Notes	(50,578)	
Net OPEB Liability	(900,032)	
Net Pension Liability	(4,137,167)	
Other	(77,288)	(17,420,292)
Total Net Position - Governmental Activities		$ 26,639,152

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	General Fund	General Obligation Bond Projects Fund	Nonmajor Funds	Total
Revenues:				
Taxes	$ 27,030,572	$ —	$ —	$ 27,030,572
Licenses and Permits	432,292	—	—	432,292
Intergovernmental - Federal	23,875,577	16,750	—	23,892,327
Intergovernmental - Other	438,883	43,485	249,880	732,248
Sales and Services	535,527	—	112	535,639
Fines and Forfeits	483,319	—	—	483,319
Interest and Other Investment Income	16,770	2,763	15,990	35,523
Unclaimed Property	180,361	—	—	180,361
Lottery Proceeds	1,544,954	—	—	1,544,954
Nursing Home Provider Fees	152,797	—	—	152,797
Hospital Provider Payments	366,281	—	—	366,281
Other	320,770	—	95	320,865
Total Revenues	55,378,103	62,998	266,077	55,707,178
Expenditures:				
Current:				
General Government	1,623,515	485	883	1,624,883
Education	16,025,139		—	16,025,139
Health and Welfare	22,530,467		—	22,530,467
Transportation	3,155,649		271,053	3,426,702
Public Safety	2,303,584		—	2,303,584
Economic Development and Assistance	489,623		—	489,623
Culture and Recreation	324,340		—	324,340
Conservation	61,522		—	61,522
Capital Outlay	—	793,847	—	793,847
Debt Service				
Principal	—	—	931,555	931,555
Interest	176	—	419,961	420,137
Accrued Interest on Bonds Retired in Advance	—	—	3	3
Discount on Bonds Retired in Advance	—	—	7	7
Other Debt Service Expenditures	—	19,430	176,294	195,724
Intergovernmental	—	230,413	—	230,413
Total Expenditures	46,514,015	1,044,175	1,799,756	49,357,946
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,864,088	(981,177)	(1,533,679)	6,349,232
Other Financing Sources (Uses):				
Debt Issuance - General Obligation Bonds	—	1,132,515	—	1,132,515
Debt Issuance - GARVEE Bonds	—	—	484,160	484,160
Debt Issuance - General Obligation Bonds - Premium	—	183,801	—	183,801
Debt Issuance - GARVEE Bonds - Premium	—	—	117,790	117,790
Capital Leases	28,248	—	—	28,248
Transfers In	94,677	14,770	1,672,723	1,782,170
Transfers Out	(4,252,045)	(190,266)	(56,628)	(4,498,939)
Net Other Financing Sources (Uses)	(4,129,120)	1,140,820	2,218,045	(770,255)
Net Change in Fund Balances	4,734,968	159,643	684,366	5,578,977
Fund Balances, July 1 - Restated (Note 3)	8,614,146	1,281,205	471,141	10,366,492
Fund Balances, June 30	$ 13,349,114	$ 1,440,848	$ 1,155,507	$ 15,945,469

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, 2021
(amounts in thousands)

Net Change in Fund Balances - Governmental Funds (from previous page)		$ 5,578,977
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays 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	$ 2,180,037	
Depreciation expense	(1,232,826)	947,211
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(76,039)
Bond proceeds (net of 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.		
GARVEE Bonds Issued	(484,160)	
Premiums on GARVEE Bonds Issued	(117,790)	
General Obligation Bonds Issued	(1,132,515)	
Premiums on General Obligation Bonds Issued	(183,801)	(1,918,266)
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability.		(28,248)
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	943,835	
Revenue Bonds	159,460	
Notes	3,124	
Capital Leases	15,262	1,121,681
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.		(2,984)
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	13,347	
Accrued Interest on Bonds Payable	8,982	
Amortization of Deferred Amount on Refunding	(68,135)	
Bond Premiums	88,117	
OPEB costs, net	511,682	
Pension costs, net	(115,066)	
Other	1,454	440,381
Change in Net Position - Governmental Activities		$ 6,062,713

Statement of Net Position
Proprietary Funds
June 30, 2021
(amounts in thousands)

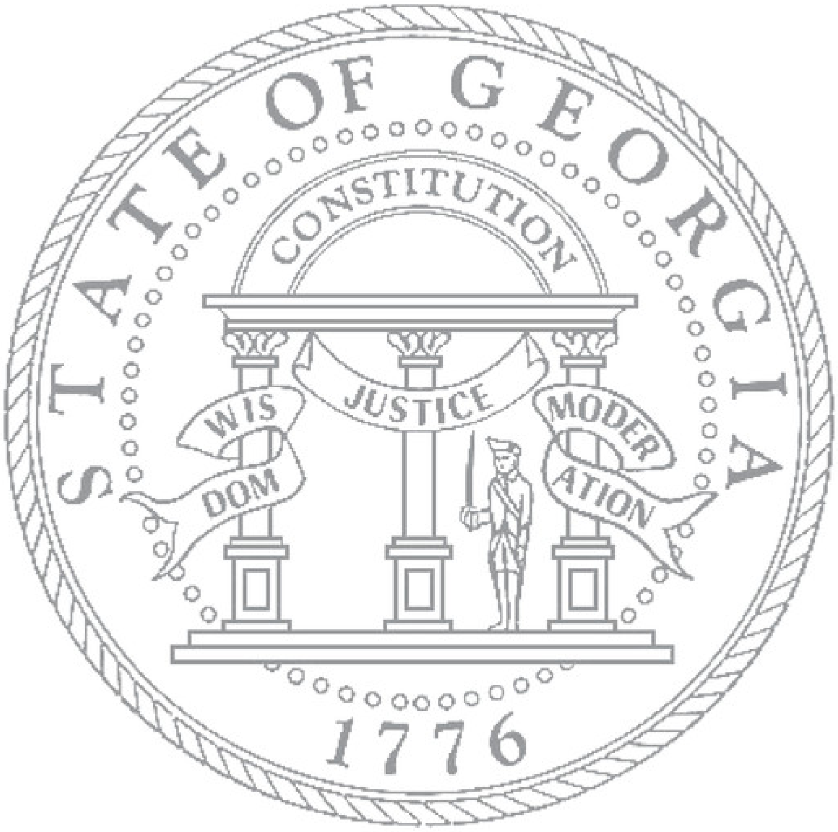
	Business-type Activities - Enterprise Funds					Governmental Activities -
	Higher Education Fund	State Health Benefits Plan	Unemployment Compensation Fund	Nonmajor Funds	Total	Internal Service Funds
Assets						
Current Assets:						
Cash and Cash Equivalents	$ 1,229,652	$ 21,614	$ —	$ 90,062	$ 1,341,328	$ 15,497
Pooled Investments with State Treasury	513,249	851,081	—	17,163	1,381,493	156,950
Investments	15,950	—	—	408,125	424,075	19,490
Accounts Receivable (Net)	418,425	38,246	389,708	2,438	848,817	115,810
Due from Other Funds	17,550	—	—	61	17,611	929,686
Due from Component Units	309,867	—	—	176,560	486,427	68
Inventories	25,124	—	—	126	25,250	19,596
Other Assets	107,846	—	—	11	107,857	2,114
Restricted Assets:						
Cash and Cash Equivalents	422,116	—	310,432	—	732,548	—
Restricted Pooled Investments with State Treasury	—	—	—	34,380	34,380	—
Investments	817	—	—	—	817	—
Total Current Assets	3,060,596	910,941	700,140	728,926	5,400,603	1,259,211
Noncurrent Assets:						
Investments	196,298	—	—	—	196,298	2,436
Other Receivables	1,655	—	—	—	1,655	—
Notes Receivable	26,073	—	—	—	26,073	—
Restricted Assets:						
Cash and Cash Equivalents	2,730	—	—	—	2,730	—
Investments	303,141	—	—	—	303,141	—
Net OPEB Asset	12,350	249	—	530	13,129	4,160
Non-Depreciable Capital Assets	697,643	—	—	22,154	719,797	30,039
Depreciable Capital Assets, net	10,809,059	—	—	21,501	10,830,560	342,934
Total Noncurrent Assets	12,048,949	249	—	44,185	12,093,383	379,569
Total Assets	15,109,545	911,190	700,140	773,111	17,493,986	1,638,780
Deferred Outflows of Resources	2,152,385	1,615	—	20,721	2,174,721	16,113

(continued)

State of Georgia

Statement of Net Position
Proprietary Funds
June 30, 2021
(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	233,624	2,080	18,206	7,519	261,429	46,982
Due to Other Funds	265,986	28,285	—	676	294,947	1,287
Due to Component Units	10,270	—	—	—	10,270	—
Benefits Payable	36,329	251,651	185,030	—	473,010	—
Unearned Revenue	291,407	18,682	86,249	—	396,338	101
Notes and Loans Payable	1,860	—	—	—	1,860	4,024
Claims and Judgments Payable	1,100	—	—	—	1,100	1,034,656
Compensated Absences Payable	183,973	299	—	538	184,810	2,187
Capital Leases/Installment Purchases Payable						
Component Units	109,944	—	—	—	109,944	—
Other	18,746	—	—	—	18,746	6,358
Revenue Bonds Payable	—	—	—	7,768	7,768	—
Other Current Liabilities	57,123	—	3,696	349	61,168	1,437
Current Liabilities Payable from Restricted Assets	—	—	—	29,801	29,801	—
Total Current Liabilities	1,210,362	300,997	293,181	46,651	1,851,191	1,097,032
Noncurrent Liabilities:						
Compensated Absences Payable	126,812	213	—	359	127,384	2,980
Capital Leases/Installment Purchases Payable						
Component Units	2,165,440	—	—	—	2,165,440	—
Other	382,493	—	—	—	382,493	27,064
Revenue Bonds Payable	—	—	—	224,569	224,569	—
Notes and Loans Payable	7,290		—	290,169	297,459	697
Net OPEB Liability	5,453,879	971	—	2,662	5,457,512	13,105
Net Pension Liability	4,248,418	6,612	—	10,033	4,265,063	53,918
Other Noncurrent Liabilities	18,357	—	—	—	18,357	—
Total Noncurrent Liabilities	12,402,689	7,796	—	527,792	12,938,277	97,764
Total Liabilities	13,613,051	308,793	293,181	574,443	14,789,468	1,194,796
Deferred Inflows of Resources	1,241,563	1,981	—	2,724	1,246,268	14,436
Net Position						
Net Investment in Capital Assets	8,549,939	—	—	43,655	8,593,594	337,830
Restricted for:						
Bond Covenants/Debt Service	—	—	—	329,693	329,693	—
Capital Projects	10,032	—	—	—	10,032	—
Other Purpose	303,402	289	—	530	304,221	3,776
Nonexpendable:						
Permanent Trust	230,222	—	—	—	230,222	—
Other Benefits	—	—	—	408,323	408,323	—
Unemployment Compensation Benefits	—	—	406,959	—	406,959	—
Unrestricted	(6,686,279)	601,742	—	(565,536)	(6,650,073)	104,055
Total Net Position	$ 2,407,316	$ 602,031	$ 406,959	$ 216,665	3,632,971	$ 445,661
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					(196,914)	
Net Position of Business-type Activities					$ 3,436,057	


STATE OF GEORGIA
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Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(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	$ 151,727	$ 3,079,378	$ 570,965	$ 521	$ 3,802,591	$ 195,388
Operating Grants	2,177,980	—	10,526,529	29,633	12,734,142	11,609
Rents and Royalties	9,234	—	—	—	9,234	40,961
Sales and Services	933,621	—	—	39,886	973,507	309,973
Tuition and Fees	3,096,360	—	—	—	3,096,360	—
Less: Scholarship Allowances	(743,873)	—	—	—	(743,873)	—
Other	43,422	—	—	—	43,422	1,490
Total Operating Revenues	5,668,471	3,079,378	11,097,494	70,040	19,915,383	559,421
Operating Expenses:						
Personal Services	5,885,988	4,733	—	8,696	5,899,417	51,991
Services and Supplies	2,385,444	111,575	—	15,237	2,512,256	347,479
Scholarships and Fellowships	636,997	—	—	—	636,997	—
Benefits Expense	416,897	3,057,358	12,925,409	4,870	16,404,534	—
Claims and Judgments	—	—	—	—	—	166,976
Interest Expense	—	—	—	7,965	7,965	—
Depreciation	608,416	—	—	11,015	619,431	22,391
Amortization	—	—	—	(679)	(679)	—
Other	—	—	—	—	—	34
Total Operating Expenses	9,933,742	3,173,666	12,925,409	47,104	26,079,921	588,871
Operating Income (Loss)	(4,265,271)	(94,288)	(1,827,915)	22,936	(6,164,538)	(29,450)
Nonoperating Revenues (Expenses):						
Grants and Contributions	1,554,413	—	1,215,300	—	2,769,713	37,242
Interest and Other Investment Income	94,354	740	4,386	93,758	193,238	5,424
Interest Expense	(125,991)	—	—	(13,411)	(139,402)	—
Other	(134,177)	—	—	(119,606)	(253,783)	(45,628)
Net Nonoperating Revenues (Expenses)	1,388,599	740	1,219,686	(39,259)	2,569,766	(2,962)
Income (Loss) Before Contributions and transfers	(2,876,672)	(93,548)	(608,229)	(16,323)	(3,594,772)	(32,412)
Contributions to Permanent Endowments	731	—	—	—	731	—
Capital Grants and Contributions	278,402	—	—	—	278,402	9,799
Total Contributions	279,133	—	—	—	279,133	9,799
Transfers:						
Transfers In	2,720,828	—	—	20,142	2,740,970	9,905
Transfers Out	(5,011)	—	(23,326)	—	(28,337)	(2,851)
Net Transfers	2,715,817	—	(23,326)	20,142	2,712,633	7,054
Change in Net Position	118,278	(93,548)	(631,555)	3,819	(603,006)	(15,559)
Net Position, July 1 - Restated (Note 3)	2,289,038	695,579	1,038,514	212,846		461,220
Net Position, June 30	$ 2,407,316	$ 602,031	$ 406,959	$ 216,665		$ 445,661
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.					(12,575)	
Change in Net Position of business-type activities					$ (615,581)	

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(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	$ 45,580	$ —	$ —	$ 57,129	$ 102,709	$ 146,968
Cash Received from Other Funds (Internal Activity)	—	—	—	—	—	398,586
Cash Received from Grants and Required Contributions/ Premiums	2,132,906	3,108,082	12,937,200	—	18,178,188	—
Cash Received from Tuition and Fees	3,459,421	—	—	—	3,459,421	—
Cash Paid to Vendors	(3,836,863)	(113,523)	—	(18,198)	(3,968,584)	(343,296)
Cash Paid to Employees	(4,420,809)	(5,789)	—	(6,915)	(4,433,513)	(59,623)
Cash Paid for Benefits	—	(3,036,605)	(14,600,719)	—	(17,637,324)	—
Cash Paid for Claims and Judgments	—	—	—	—	—	(155,956)
Cash Paid for Scholarships, Fellowships and Loans	(650,170)	—	—	—	(650,170)	—
Other Operating Receipts	31,581	—	67	—	31,648	715
Other Operating Payments	(18,217)	—	—	—	(18,217)	—
Net Cash Provided by (Used in) Operating Activities	(3,256,571)	(47,835)	(1,663,452)	32,016	(4,935,842)	(12,606)
Cash Flows from Noncapital Financing Activities:						
Interest Paid on Debt	—	—	—	(7,978)	(7,978)	—
Transfers from Other Funds	2,717,977	—	—	14,854	2,732,831	9,910
Transfers to Other Funds	(5,011)	—	(23,326)	—	(28,337)	—
Payments on Noncapital Financing Debt	—	—	—	(5,730)	(5,730)	—
Proceeds from Notes and Loans	—	—	1,095,498	—	1,095,498	—
Payments on Notes and Loans	—	—	(1,095,498)	—	(1,095,498)	—
Other Noncapital Receipts	1,414,206	—	1,215,300	—	2,629,506	41,279
Other Noncapital Payments	(34,904)	—	—	(45,443)	(80,347)	(39,255)
Net Cash Provided by (Used in) Noncapital Financing Activities	4,092,268	—	1,191,974	(44,297)	5,239,945	11,934
Cash Flows from Capital and Related Financing Activities:						
Capital Contributions	—	—	—	—	—	9,799
Capital Grants and Gifts Received	97,274	—	—	—	97,274	—
Proceeds from Sale of Capital Assets	13,107	—	—	—	13,107	5,365
Proceeds from Capital Debt	—	—	—	—	—	9,357
Acquisition and Construction of Capital Assets	(393,426)	—	—	(10,781)	(404,207)	(30,257)
Principal Paid on Capital Debt	(175,860)	—	—	(1,305)	(177,165)	(1,548)
Interest Paid on Capital Debt	(128,415)	—	—	—	(128,415)	—
Net Cash Used in Capital and Related Financing Activities	(587,320)	—	—	(12,086)	(599,406)	(7,284)
Cash Flows from Investing Activities:						
Proceeds from Sales of Investments	1,795,933	—	—	—	1,795,933	32,980
Purchase of Investments	(1,851,484)	—	—	(88,979)	(1,940,463)	(14,218)
Interest and Dividends Received	48,089	739	4,386	93,688	146,902	196
Other Investing Activities	—	—	—	13,708	13,708	(2,480)
Net Cash Provided by (Used in) Investing Activities	(7,462)	739	4,386	18,417	16,080	16,478
Net Increase (Decrease) in Cash and Cash Equivalents	240,915	(47,096)	(467,092)	(5,950)	(279,223)	8,522
Cash and Cash Equivalents, July 1 - Restated (Note 3)	1,926,832	919,791	777,524	147,555	3,771,702	163,925
Cash and Cash Equivalents, June 30	$ 2,167,747	$ 872,695	$ 310,432	$ 141,605	$ 3,492,479	$ 172,447

(continued)

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(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)	$ (4,265,271)	$ (94,288)	$ (1,827,915)	$ 22,936	$ (6,164,538)	$ (29,450)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation/Amortization Expense	608,416	—	—	11,015	619,431	22,391
Other Reconciling Items	4,552	—	—	(680)	3,872	—
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable	(69,199)	5,447	1,819,617	(3,373)	1,752,492	(11,723)
Due from Other Funds	—	6,124	—	112	6,236	(2,115)
Due from Component Units	—	—	—	—	—	(31)
Notes Receivable	2,861	—	—	—	2,861	—
Net OPEB Asset	(123)	55	—	(116)	(184)	(32)
Other Assets	17,642	—	—	—	17,642	1,120
Deferred Outflows of Resources	(579,143)	492	—	(394)	(579,045)	360
Accounts Payable and Other Accruals	7,773	(1,947)	1,960	1,882	9,668	1,065
Due to Other Funds	—	25,270	—	—	25,270	473
Benefits Payable	—	20,753	(1,675,310)	—	(1,654,557)	—
Unearned Revenue	(2,396)	(8,137)	18,129	(1,517)	6,079	(4)
Claims and Judgments Payable	—	—	—	—	—	11,019
Compensated Absences Payable	12,626	(15)	—	—	12,611	88
Net OPEB Liability	851,648	(340)	—	2,186	853,494	(903)
Net Pension Liability	389,259	(572)	—	580	389,267	2,727
Other Liabilities	2,120	—	67	—	2,187	661
Deferred Inflows of Resources	(237,336)	(677)	—	(615)	(238,628)	(8,252)
Net Cash Provided by (Used in) Operating Activities	$ (3,256,571)	$ (47,835)	$ (1,663,452)	$ 32,016	$ (4,935,842)	$ (12,606)
Noncash Investing, Capital, and Financing Activities:						
Gifts other than Capital Assets Reducing Proceeds of Grants and Gifts for Other than Capital Assets	$ 5,258	$ —	$ —	$ —	$ 5,258	$ —
Donation of Capital Assets	180,033	—	—	—	180,033	—
Change in Receivable from Grantor Agency Affecting Proceeds of Capital Debt	(8,028)	—	—	—	(8,028)	—
Change in Accrued Interest Payable Affecting Interest Paid	424	—	—	—	424	—
Capital Assets Acquired by Incurring Capital Lease Obligations	55,362	—	—	—	55,362	—
Change in Fair Value of Investments	46,293	—	—	—	46,293	7,706
Special Item - Equipment-Capital Asset Transfer	1,643	—	—	(92,293)	(90,650)	—
Gain (Loss) of Debt Refunding	(5,521)	—	—	—	(5,521)	—
Loss on Disposal of Capital Assets Reducing Proceeds from Sale of Capital Assets	(30,970)	—	—	—	(30,970)	—
Other	79,720	—	—	(13,341)	66,379	—
Total Noncash Investing, Capital and Financing Activities	$ 324,214	$ —	$ —	$ (105,634)	$ 218,580	$ 7,706

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021
(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	$ 3,173,103	$ —	$ —	$ 571,199	$ 1,313
Pooled Investments with State Treasury	1,208,184	12,301,046	338,356	26,321	—
Receivables, Net					
Interest and Dividends	218,614	1,494	—	—	—
Due from Brokers for Securities Sold	21,034	—	—	—	—
Taxes for Other Governments	—	—	—	918,374	—
Other	301,057	—	32,298	90,173	—
Due from Other Funds	28,697	—	—	—	—
Investments, at Fair Value					
Certificates of Deposit	—	—	—	1,232	—
Pooled Investments	19,581,607	—	—	217,023	—
Exchange Traded Funds	1,813	—	—	—	—
Mutual Funds	3,168,218	—	—	9,537	55,460
Government Obligations	19,673,111	—	—	28,696	—
Corporate Bonds/Notes/Debentures	6,769,028	—	—	—	—
Stocks	76,059,057	—	—	—	15,419
Asset-backed Securities	44,593	—	—	—	—
Mortgage Investments	106,311	—	—	—	—
Real Estate Investment Trusts	139,190	—	—	—	—
Capital Assets					
Land	8,883	—	—	—	—
Buildings	7,793	—	826	—	—
Software	30,800	—	—	—	—
Machinery and Equipment	5,398	—	94	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(37,149)	—	(809)	—	—
Net OPEB Asset	3,494	—	143	—	—
Other Assets	—	—	8	1,088	—
Total Assets	130,512,950	12,302,540	370,916	1,863,643	72,192
Deferred Outflows of Resources	10,323	—	316	—	—
Liabilities					
Accounts Payable and Other Accruals	45,763	—	3	195,117	—
Cash Overdraft	—	—	22,638	—	—
Due to Other Funds	482	—	—	—	—
Due to Brokers for Securities Purchased	19,700	—	—	—	—
Due to Component Units	—	—	—	225	—
Due to Local Governments	—	—	—	985,832	—
Salaries/Withholding Payable	—	—	—	30	—
Benefits Payable	43,008	—	—	—	—
Unearned Revenue	332	—	—	1,248	—
Compensated Absences Payable	80	—	68	—	—
Net OPEB Liability	10,577	—	287	—	—
Net Pension Liability	30,500	—	1,237	—	—
Other Liabilities	—	—	243	874	—
Total Liabilities	150,442	—	24,476	1,183,326	
Deferred Inflows of Resources	10,867	—	358	—	—
Net Position					
Restricted for:					
Pension Benefits	125,952,358	—	—	—	—
Other Postemployment Benefits	4,409,605	—	—	—	—
Pool Participants	—	12,302,540	—	—	72,193
Individuals, Organizations, and Other Governments	—	—	—	680,317	—
Other Purposes	—	—	346,398	—	—
Total Net Position	$ 130,361,963	$ 12,302,540	$ 346,398	$ 680,317	$ 72,193

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, 2021
(amounts in thousands)

	Pension and Other Employee Benefits Trust	Investment Trust	Private Purpose Trust	Custodial Funds: Custodial	Custodial Funds: External Investment Pool
Additions:					
Contributions/Assessments					
Child Support Recovery Program	$ —	$ —	$ —	$ 866,792	$ —
Collections for Local Governments	—	—	—	7,816,080	—
Coronavirus Fiscal Recovery Funds	—	—	—	430,914	
Detainees' Accounts	—	—	—	167,092	—
Employer	3,805,821	—	—	—	—
Fees	475	—	—	—	—
Insurance Premiums	2,817	—	—	—	—
NonEmployer	114,112	—	—	—	—
Plan Members/Participants	1,036,770	—	505	151,221	—
Pool Participant Deposits	—	15,374,669	—	—	5,539
Student Financial Aid	—	—	—	2,199,555	—
Student Support	—	—	—	106,894	—
Miscellaneous	1,927	—	—	82,967	—
Interest and Other Investment Income					
Dividends and Interest	2,110,594	13,910	349	49,483	1,080
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	27,332,566	—	—	(4)	15,061
Less: Investment Expense	(100,816)	(5,049)	—	(49)	(70)
Transfers from Other Funds	2,857	—	—	—	—
Total Additions	34,307,123	15,383,530	854	11,870,945	21,610
Deductions:					
Distributions					
Benefits	7,955,006	—	21,833	149,098	—
Child Support Recovery Program	—	—	—	890,877	—
Detainees' Accounts	—	—	—	152,570	—
Distributions to Local Governments	—	—	—	8,000,229	—
General and Administrative Expenses	42,836	—	1,335	—	—
Pool Participant Withdrawals	94	14,136,123	—	—	15,545
Refunds	88,764	—	264	—	—
Student Financial Aid	—	—	—	2,199,129	—
Student Support	—	—	—	106,459	—
Miscellaneous	—	—	—	72,252	—
Transfers to Other Funds	—	—	—	5,775	—
Total Deductions	8,086,700	14,136,123	23,432	11,576,389	15,545
Net Increase (Decrease) in Fiduciary Net Position	26,220,423	1,247,407	(22,578)	294,556	6,065
Net Position, July 1 (restated)	104,141,540	11,055,133	368,976	385,761	66,128
Net Position, June 30	$ 130,361,963	$ 12,302,540	$ 346,398	$ 680,317	$ 72,193

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

Statement of Net Position
Component Units
June 30, 2021
(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	$ 60,527	$ 2,932	$ 11,329	$ 181,989
Pooled Investments with State Treasury	—	1,153,287	5,156	93,056
Investments	54,924	—	—	92,217
Receivables				
Accounts (Net)	201,190	4,103	7,311	—
Capital Leases from Primary Government	1,289	—	—	—
Interest and Dividends	—	5,286	—	685
Intergovernmental Receivables	—	3,221	—	—
Notes and Loans (Net)	—	—	—	—
Taxes	—	—	2,852	—
Due from Primary Government	770	—	—	—
Due from Component Units	61	—	—	—
Inventory	22,888	—	428	—
Other Current Assets	20,373	—	386	98,106
Restricted for:				
Cash and Cash Equivalents	1,437	—	—	—
Pooled Investments with State Treasury	—	—	—	125,091
Investments	—	—	—	—
Other Receivables (Net)	—	—	—	—
Total Current Assets	363,459	1,168,829	27,462	591,144
Noncurrent Assets:				
Investments	128,625	—	—	192,437
Receivables				
Capital Leases from Primary Government	18,748	—	—	—
Notes and Loans (Net)	—	1,519,195	—	590,421
Other (Net)	—	—	—	—
Restricted Assets				
Cash and Cash Equivalents	—	—	74,548	12,521
Investments	8,344	—	421,814	67,431
Net OPEB Asset	—	319	1,535	—
Receivables				
Notes and Loans (Net)	—	—	—	1,311,088
Interest and Dividends	—	—	642	9,029
Other (Net)	—	—	48,811	—
Non-depreciable Capital Assets	47,950	—	101,107	800
Depreciable Capital Assets (Net)	216,605	71	1,292,522	2,342
Other Noncurrent Assets	27,425	—	—	—
Total Noncurrent Assets	447,697	1,519,585	1,940,979	2,186,069
Total Assets	811,156	2,688,414	1,968,441	2,777,213
Deferred Outflows of Resources	3,850	947	13,819	—

Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Nonmajor Component Units	Total
$ 66,525	$ 82,529	$ 20,165	$ 551,183	$ 977,179
—	386,830	—	219,537	1,857,866
—	20,595	—	132,861	300,597
203,954	90,627	16,446	362,505	886,136
—	—	8,219	100,436	109,944
—	—	—	3,791	9,762
—	—	—	34,175	37,396
—	—	828	187,622	188,450
—	—	—	1,162	4,014
—	—	2,914	51,674	55,358
—	—	—	35,577	35,638
—	5,648	—	6,173	35,137
6,585	1,593	1,971	33,795	162,809
—	—	13,583	108,989	124,009
—	—	—	—	125,091
—	—	—	143,354	143,354
—	—	22,607	51,763	74,370
277,064	587,822	86,733	2,024,597	5,127,110
—	—	432,322	470,900	1,224,284
—	—	86,845	2,059,848	2,165,441
—	—	—	177,357	2,286,973
—	—	—	33,903	33,903
20,394	—	—	253,821	361,284
188,853	—	2,029,331	2,203,492	4,919,265
—	—	—	1,523	3,377
—	—	—	—	1,311,088
—	—	—	—	9,671
—	—	48,781	70,277	167,869
—	551,035	72,028	333,382	1,106,302
7,565	1,038,618	79,960	965,262	3,602,945
—	4,393	43,579	39,617	115,014
216,812	1,594,046	2,792,846	6,609,382	17,307,416
493,876	2,181,868	2,879,579	8,633,979	22,434,526
35	37,449	—	130,133	186,233

(continued)

Statement of Net Position
Component Units
June 30, 2021
(amounts in thousands)

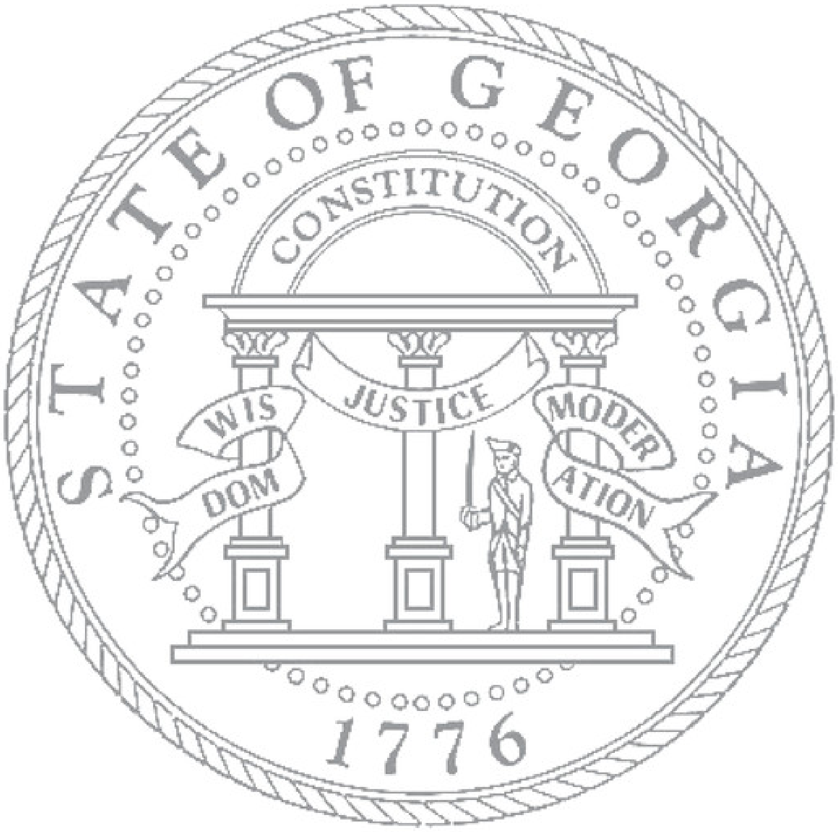
	A U Health Systems, Inc.	Georgia Environmental Finance Authority	Geo. L. Smith II Georgia World Congress Center Authority	Georgia Housing and Finance Authority
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	107,682	5,429	75	6,448
Due to Primary Government	55,637	—	25,233	4,516
Due to Component Units	—	—	—	—
Funds Held for Others	—	—	—	—
Unearned Revenue	58,342	—	6,034	3,065
Notes and Loans Payable	—	—	477	—
Revenue/Mortgage Bonds Payable	1,010	—	—	42,330
Other Current Liabilities	39,322	137	5,874	371,719
Current Liabilities Payable from Restricted Assets:				
Other	—	—	17,675	—
Total Current Liabilities	261,993	5,566	55,368	428,078
Noncurrent Liabilities:				
Unearned Revenue	—	—	—	—
Notes and Loans Payable	—	—	44,238	—
Revenue/Mortgage Bonds Payable	201,303	—	471,312	1,496,556
Grand Prizes Payable	—	—	—	—
Derivative Instrument Payable	20,604	—	—	—
Net OPEB Liability	6,322	827	29,239	—
Net Pension Liability	—	4,116	28,958	—
Other Noncurrent Liabilities	53,392	411	41,085	593,471
Total Noncurrent Liabilities	281,621	5,354	614,832	2,090,027
Total Liabilities	543,614	10,920	670,200	2,518,105
Deferred Inflows	1,514	1,295	9,893	—
Net Position				
Net Investment in Capital Assets	43,843	71	1,293,388	3,142
Restricted for:				
Bond Covenants/Debt Service	—	—	67,287	—
Capital Projects	—	—	—	—
Permanent Trust Expendable				
Other Purposes	9,781	—	10,375	—
Nonexpendable:				
Permanent Trust	—	—	—	—
Other Purposes	—	—	—	—
Loan and Grant Programs	—	1,994,630	—	—
Unrestricted	216,254	682,445	(68,883)	255,966
Total Net Position	$ 269,878	$ 2,677,146	$ 1,302,167	$ 259,108

Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Nonmajor Component Units	Total
128,272	85,053	9,811	120,204	462,974
142,567	61	5,309	425,488	658,811
—	—	4,834	30,804	35,638
—	—	—	75,327	75,327
—	—	14,355	172,058	253,854
—	—	17,587	32,300	50,364
—	—	13,980	89,173	146,493
5,338	3,934	2,729	32,567	461,620
20,175	—	—	6,876	44,726
296,352	89,048	68,605	984,797	2,189,807
—	940	—	13,665	14,605
—	—	69,226	122,396	235,860
—	—	227,966	2,549,048	4,946,185
169,394	—	—	—	169,394
—	—	—	6,432	27,036
—	9,519	—	116,855	162,762
234	55,468	—	169,406	258,182
4,760	16,140	38,591	153,256	901,106
174,388	82,067	335,783	3,131,058	6,715,130
470,740	171,115	404,388	4,115,855	8,904,937
7,885	2,707	—	31,235	54,529
7,274	1,589,653	(3,666)	724,948	3,658,653
—	—	—	29,982	97,269
—	—	23,498	223,063	246,561
—	—	214,315	1,018,920	1,233,235
—	—	—	430,525	450,681
—	—	1,897,259	1,186,618	3,083,877
—	—	—	70,000	70,000
—	—	—	—	1,994,630
8,012	455,842	343,785	932,966	2,826,387
$ 15,286	$ 2,045,495	$ 2,475,191	$ 4,617,022	$ 13,661,293

Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2021
(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	$ 1,140,154	$ 44,594	$ 163,243	$ 185,079
Program Revenues:				
Sales and Charges for Services	1,047,410	25,324	26,292	104,130
Operating Grants and Contributions	13,224	94,651	4,341	91,862
Capital Grants and Contributions	4,501	—	—	—
Total Program Revenues	1,065,135	119,975	30,633	195,992
Net (Expenses) Revenue	(75,019)	75,381	(132,610)	10,913
General Revenues:				
Taxes	—	—	2,304	—
Unrestricted Investment Income/(Loss)	20,963	—	—	—
Payments from the Primary Government	30,603	—	2,998	—
Contributions to Permanent Endowments	—	—	—	—
Total General Revenues	51,566	—	5,302	—
Change in Net Position	(23,453)	75,381	(127,308)	10,913
Net Position, July 1 - (Restated)	293,331	2,601,765	1,429,475	248,195
Net Position, June 30	$ 269,878	$ 2,677,146	$ 1,302,167	$ 259,108

Georgia Lottery Corporation	Georgia Ports Authority	Georgia Tech Foundation, Incorporated	Nonmajor Component Units	Total
5,817,864	$ 425,506	$ 119,560	$ 2,428,103	$ 10,324,103
5,806,919	615,429	24,879	637,753	8,288,136
168	14,314	577,028	2,331,278	3,126,866
—	8,473	—	27,606	40,580
5,807,087	638,216	601,907	2,996,637	11,455,582
(10,777)	212,710	482,347	568,534	1,131,479
—	—	—	7,130	9,434
124	—	162,931	166,046	350,064
—	—	—	73,983	107,584
—	—	42,624	84,835	127,459
124	—	205,555	331,994	594,541
(10,653)	212,710	687,902	900,528	1,726,020
25,939	1,832,785	1,787,289	3,716,494	11,935,273
$ 15,286	$ 2,045,495	$ 2,475,191	$ 4,617,022	$ 13,661,293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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.

Where noted below, 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.

Blended Component Units

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. (AUD)

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. (AUD)

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. (AUD)

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. (AUD)

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. (AUD)

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. (AUD)

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. (AUD)

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. (AUD)

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. (AUD)

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

The **Atlanta-Region Transit Link Authority (ATL)** 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. (AUD)

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. (AUD)

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. (AUD)

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

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. (AUD)

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 **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. (AUD)

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. (AUD)

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.
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
University of Georgia Athletic Association, Inc.
University of Georgia Foundation
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 (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 nonexchange 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 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 both measurable and available. "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 liabilities of the current period. For this

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. All unearned revenue reported represents transactions for which assets have been received, but for which not all earning criteria have been met. Capital purchases are recorded as expenditures and neither capital 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. 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:

<u>**Major Governmental Funds**</u>

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.

<u>**Major Enterprise Funds**</u>

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 – formally agency funds. Custodial funds reports fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

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 four pools: Georgia Fund 1 (“GF1”), Georgia Fund 1 Plus (“GF1 Plus”), Georgia Extended Asset Pool (“GEAP”) and Georgia Extended Asset Pool Plus (“GEAP Plus”) and the LGIP Trust Reserve. 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 with the remainder principal and interest reinvested in GEAP and GEAP Plus TMPs. For financial reporting purposes, investments of the pool are reported at fair value at fiscal year end.

Georgia Extended Asset Pool – (GEAP) was established on July 1, 2019 as an investment for the OPEB Trust Funds and initially funded with the July maturity of GEAP plus. It was comprised of a series of individual Target Maturity Portfolios (TMP). Funds from each TMP, as they matured, were partly distributed for reinvestment in equity investments managed by the Division of Investment Services of the Teachers Retirement System with the remainder principal and interest reinvested in additional TMPs.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 leases 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)

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Lease obligation that transfers substantially all the benefits and risks inherent to ownership of the property or equipment is accounted for as a capital lease by the lessee. The recording of a capital lease reflects the acquisition of a capital asset and the incurrence of a long-term liability. All other leases are classified as operating leases.

Governmental funds recognize periodic payments on capital and operating 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 capital leases, a capital 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 capital lease obligation. Additionally, depreciation expense related to the leased capital 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, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 2021, the State implemented the following GASB Statements:

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments.

Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replaces references of the term comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

The adoption of these Statements did not have a material effect on the financial statements for fiscal year 2021.

B. Change in Financial Reporting Entity

Component Unit

During the fiscal year it was determined that Atlanta-Region Transit Link Authority and Seed Development Commission met requirements for inclusion as discretely presented component units, which increased beginning net position by $11.8 million.

During the fiscal year it was determined that AU Health Systems, component unit of the State, met requirements for inclusion as major component unit from non-major component unit. This had no effect on net position of Component Units.

C. Change in Accounting Principles

Primary Government

Management has changed the method for reporting the financial position and activities of State Road and Tollway Authority (SRTA) from using estimates in the prior fiscal year (based on the last audited set of financial statements in fiscal year 2018) to actual balances for fiscal year 2021 (which included updating the SRTA ending balances as of June 30, 2020). This change resulted in an increase to Governmental Activities net position of $505.3 million. Of this balance, $298.1 million was related to transactions with the Georgia Department of Transportation. This change also resulted in an increase to net position of $1.6 million to the Nonmajor Enterprise funds.

Management has changed the methodology of debt calculation from the straight-line method to the effective interest rate method which reduced Governmental Activities net position for Georgia State Finance and Investment Commission by $46.2 million.

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

D. Correction of Prior Year Errors

Primary Government

During the fiscal year, it was determined that capital leased assets and the associated liabilities were overstated at State Properties Commission and the Department of Human Services in fiscal year 2020, resulting in an overstatement of net position in governmental activities of $13.7 million. An adjustment was made in fiscal year 2021 to decrease net position to reflect correction to the prior year amounts.

During the fiscal year it was determined that capital leased assets and the associated liabilities were overstated at Georgia Building Authority Internal Service Fund in fiscal year 2020, resulting in an overstatement of net position in governmental activities of $4.1 million. During the fiscal year it was determined that the Property Insurance Internal Service Fund unpaid claims accrual was overstated. Beginning net position has been increased by $16.2 million to reflect correction of prior year amounts.

Technical College System of Georgia capital assets were overstated in fiscal year 2020, resulting in an overstatement of net position in governmental activities of $1.8 million.

During the fiscal year it was determined the State Health Benefit Plan business-type activities accounts receivable balance was overstated in fiscal year 2020, resulting in an overstatement of net position of $29.5 million.

During the fiscal year it was determined Higher Education Fund business-type activities deferred inflows were overstated in fiscal year 2020, resulting in an overstatement of net position of $35.9 thousand.

Fiduciary Funds

During the year it was determined University System of Georgia's Fiduciary Fund activity for deposits and other student support was overstated in fiscal year 2020, resulting in an overstatement of net position of Fiduciary Funds of $2.9 million.

Component Units

During the fiscal year it was determined Higher Education Foundations were understated in fiscal year 2020, resulting in an understatement of net position in Component Units of $1.3 million due to reissue of an audit report immaterial adjustment and correction of construction in progress.

NOTE 3 - FUND EQUITY RECLASSIFICATIONS AND RESTATEMENTS

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

	6/30/2020 As Previously Reported	Change in Financial Reporting Entity	Change in Accounting Principles	Correction of Prior Year Errors	6/30/2020 (Restated)
Governmental Funds and Activities					
Major Funds:					
General Fund	$ 8,406,891	$ —	$ 207,255	$ —	$ 8,614,146
General Obligation Bond Projects Fund	1,281,205	—	—	—	1,281,205
Nonmajor Funds:					
Special Revenue Funds	508,358	—	(78,284)	—	430,074
Debt Service Fund	64,016	—	(22,949)	—	41,067
Total Governmental Funds	10,260,470	—	106,022	—	10,366,492
Government-wide Adjustments					
Capital Assets, net of depreciation	24,887,257	—	3,499	77,810	24,968,566
Other Noncurrent Assets and Liabilities	(705,450)	—	2,000	—	(703,450)
Deferred Inflows/Outflows of Resources	1,209,649	—	—	—	1,209,649
Long-Term Liabilities Related to Debt	(11,113,276)	—	324,418	(91,531)	(10,880,389)
OPEB Assets/Liabilities	(1,832,173)	—	643	—	(1,831,530)
Pension Assets/Liabilities	(3,198,541)	—	83	—	(3,198,458)
Inclusion of Internal Service Funds in Governmental Activities	633,517	—	—	12,042	645,559
Total Governmental Funds and Activities	**$ 20,141,453**	**$ —**	**$ 436,665**	**$ (1,679)**	**$ 20,576,439**
Proprietary Funds and Business-type Activities					
Major Funds:					
Higher Education Fund	$ 2,290,749	$ —	$ —	$ (1,711)	$ 2,289,038
State Health Benefit Plan	725,031	—	—	(29,452)	695,579
Unemployment Compensation Fund	1,038,514	—	—	—	1,038,514
Nonmajor Funds:					
Enterprise Funds	187,855	—	24,991	—	212,846
Internal Service Funds	449,178	—	—	12,042	461,220
Internal Service Funds Look-Back Adjustments					
Removal of Internal Service Funds Relating to Governmental Activities	(633,517)	—	—	(12,042)	(645,559)
Total Proprietary Funds and Business-type Activities	**$ 4,057,810**	**$ —**	**$ 24,991**	**$ (31,163)**	**$ 4,051,638**
Fiduciary Funds					
Pension and Other Employee Benefit Trust Funds	104,141,540	—	—	—	$ 104,141,540
Investment Trust Funds	11,055,133	—	—	—	11,055,133
Private Purpose Trust Funds	368,976	—	—	—	368,976
Custodial Funds					
Custodial	388,625	—	—	(2,864)	385,761
External Investment Pool	$ 66,128	—	—	—	66,128
Total Fiduciary Funds	**$ 116,020,402**	**$ —**	**$ —**	**$ (2,864)**	**$ 116,017,538**
Discretely Presented Component Units	**$ 11,922,205**	**$ 11,808**	**$ —**	**$ 1,260**	**$ 11,935,273**
Total Reporting Entity	**$ 152,141,870**	**$ 11,808**	**$ 461,656**	**$ (34,446)**	**$ 152,580,888**

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, 2021 are as follows (amounts in thousands):

	General Fund	General Obligation Bond Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable Fund Balance				
Inventories and Prepaid Amounts	$ 27,612	$ —	$ —	$ 27,612
Restricted Fund Balance				
Capital Projects	$ —	$ 1,337,891	$ —	$ 1,337,891
Guaranteed Revenue Debt				
Common Reserve Fund	24,180	—	—	24,180
Emission Regulation	7,410	—	—	7,410
Healthcare Facility Regulation	25,528	—	—	25,528
Indigent Care Trust Fund	6,814	—	—	6,814
LOGO Program	21,082	—	—	21,082
Lottery For Education	1,736,480	—	—	1,736,480
Roads and Bridges (Motor Fuel Tax Funds)	3,810,284	—	76,307	3,886,591
Roadside Enhancement and Beautification Fund	3,732	—	—	3,732
Unclaimed Property	32,945	—	—	32,945
Underground Storage Tank Trust Fund	97,351	—	—	97,351
Unissued Debt/Debt Service	258,580	—	618,267	876,847
Transportation Projects	31,684	—	—	31,684
Food Stamp Recoveries	5,349	—	—	5,349
Brain & Spinal Injury Trust Fund	3,103	—	—	3,103
Help America Vote Act	6,318	—	—	6,318
Victims of Violent Crime Emergency Fund	12,848	—	—	12,848
Health and Welfare				
Behavioral Health	3,089	—	—	3,089
Community Health	27,178	—	—	27,178
Human Services	13,437	—	—	13,437
Public Health	6,451	—	—	6,451
Transportation	4,119	—	—	4,119
Public Safety	26,184	—	—	26,184
Economic Development and Assistance	19,346	—	—	19,346
Culture and Recreation	63,577	—	—	63,577
Other	50,471	67,029	448,984	566,484
Total Restricted Fund Balance	**$ 6,297,540**	**$ 1,404,920**	**$ 1,143,558**	**$ 8,846,018**
Committed Fund Balance				
Administrative Services State Purchasing	$ 16,816	$ —	$ —	$ 16,816
Billeting Funding	1,054	—	—	1,054
Georgia Blindness Prevention Program	988	—	—	988
Veterans' Homes Residency Fees	745	—	—	745
Other	1,542	—	—	1,542
Total Committed Fund Balance	**$ 21,145**	**$ —**	**$ —**	**$ 21,145**
Assigned Fund Balance				
General Government	$ 110,976	$ 35,928	$ 1,258	$ 148,162
Education	18,831	—	—	18,831
Health and Welfare	427,808	—	—	427,808
Transportation	67,431	—	10,691	78,122
Public Safety	155,419	—	—	155,419
Economic Development and Assistance	13,809	—	—	13,809
Culture and Recreation	22,140	—	—	22,140
Conservation	2,314	—	—	2,314
Total Assigned Fund Balance	**$ 818,728**	**$ 35,928**	**$ 11,949**	**$ 866,605**

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 $9.5 billion of restricted net position.

C. Deficit Net Position

The governmental activities of the State ended the year with an unrestricted net position deficit of $4.3 billion. The deficit is a result of net pension and Other Postemployment Benefit (OPEB) liabilities and the continued practice of incurring debt for the purposes of capital acquisition and construction on behalf of county and independent school systems, business-type activities, component units and State schools. Items of note regarding this deficit balance are as follows:

- GASB 68, as related to pensions required the State to recognize its proportional share of the net pension liability of the pension plans applicable to said standard. As of June 30, 2021, the liability resulted in a $3.4 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, 2021, the liability resulted in a $1.6 billion impact to unrestricted net position.
- As of June 30, 2021, outstanding general obligation bonds applicable to these projects was $5.8 billion. Since the occurrence of this debt does not result in capital asset acquisitions for governmental activities, the debt is not reflected in net investment in capital assets, but rather in the unrestricted net position category.
- The unrestricted deficit balance of the primary government however has been adjusted for the governmental activities outstanding debt balances related to capital assets reported in business-type activities in the amount of $3.4 billion, which is reflected in net investment in capital assets.

The business-type activities of the State ended the year with an unrestricted net position deficit of $6.8 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, 2021, the liability resulted in a $3.2 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, 2021, the liability resulted in a $5.1 billion impact to unrestricted net position.
- The State Road and Tollway Authority's deficit of $566.9 million in unrestricted net position of business-type activities is primarily a result of $290.2 million in outstanding balances for the Transportation Infrastructure Finance and Innovation Act (TIFIA) related to the I-75 Northwest Corridor project and $39.5 million in outstanding balances for the transportation revenue bonds related to the I-75S express Lanes project.

NOTE 5 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents and investments as of June 30, 2021 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	$ 7,155,306	$ 977,179	$ 8,132,485
Pooled Investments with State Treasury	15,167,202	1,857,866	17,025,068
Investments	2,825,761	1,524,881	4,350,642
Restricted Assets			
Cash and Cash Equivalents	735,278	485,293	1,220,571
Pooled Investments with State Treasury	455,000	125,091	580,091
Investments	303,958	5,062,619	5,366,577
Fiduciary Funds			
Cash and Cash Equivalents	3,722,977	—	3,722,977
Pooled Investments with State Treasury	13,873,908	—	13,873,908
Investments	125,870,295	—	125,870,295
Total Cash and Investments	**$ 170,109,685**	**$ 10,032,929**	**$ 180,142,614**

Cash on hand, deposits and investments as of June 30, 2021 consist of the following (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Cash on Hand	$ 3,645	$ 61	$ 3,706
Deposits with Financial Institutions (Note 5A)	5,343,737	1,112,305	6,456,042
Investments (Note 5B)	135,052,898	6,840,470	141,893,368
Pooled Investments with State Treasury (Note 5D)	29,496,109	1,982,957	31,479,066
Unemployment Compensation Funds with U.S. Treasury	310,432	—	310,432
Assets Held at the Board of Regents on Behalf of Other Organizations	(97,136)	97,136	—
Total Cash and Investments	**$ 170,109,685**	**$ 10,032,929**	**$ 180,142,614**

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, 2021, bank balances of the primary government and its component units' deposits not included in the SDP totaled $4.2 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, $350.7 million were exposed to custodial credit risk as follows (amounts in thousands):

	Primary Government and Fiduciary Funds	Component Units	Total
Uninsured and uncollateralized	$ 64,659	$ 99,023	$ 163,682
Uninsured and collateralized with securities held by the pledging financial institutions	2,901	—	2,901
Uninsured and collateralized with securities held by the pledging institutions' trust departments or agents, but not in the State's name	86,091	98,021	184,112
Total deposits exposed to custodial credit risk	**$ 153,651**	**$ 197,044**	**$ 350,695**

The carrying amounts of deposits of certain higher education foundations which utilize FASB standards were $426.9 million. These deposits are not included in the balances reflected above. Total SDP balance for the primary government and its component units' is $1.0 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, § 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 (GEAP), 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 (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, 2021, 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 three 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, 2021 was $681.8 million, of which 100% was invested in debt securities. The Effective Duration of the Fund is 0.89 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, 2021 was $17.9 million, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.26 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, 2021 was $223.9 million, of which 65% is invested in debt securities. The Effective Duration of the Fund is 7.13 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, 2021 was $20.8 million, of which 28% is invested in debt securities. The Effective Duration of the Fund is 6.23 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, 2021 was $272.6 million, of which 28% is invested in debt securities. The Effective Duration of the Fund is 5.88 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, 2021 was $84.3 million, of which 20% is invested in debt securities. The Effective Duration of the Fund is 5.25 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) 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, 2021, are as follows (amounts in thousands):

	Fair Value
Bond Securities	$ 106,739
Certificates of Deposit	1,150
Corporate Bonds	21,342
Equity Securities- Domestic	465,707
Equity Securities- International	626,775
Equity Mutual Funds - Domestic	521,669
Equity Mutual Funds - International	234,229
General Obligations Bonds	23,902
Money Market Mutual Funds	362,802
Mutual Bond Funds	104,700
Real Estate Investment Trusts	116,354
Real Estate Held for Investment Purposes	71,744
Repurchase Agreements	1,179
U.S. Agencies	17,571
U.S. Treasuries	42,727
Other	2,560,027
Total Investments	**$ 5,278,617**

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

<u>Interest Rate Risk</u>

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 is attempts to match investments with expected cash requirements.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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	$ 257,960	$ 257,960	$ —	$ —	$ —	$ —
Bond Securities	20	—	—	—	—	20
Corporate Debt						
Domestic	233,209	16,023	63,480	153,267	439	—
Money Market Mutual Funds	2,597,129	2,597,129	—	—	—	—
Mortgage-Backed Securities						
Commercial	691	—	—	—	—	691
Municipal Bonds	1,060	—	101	221	574	164
Mutual Funds - Debt*	93,433	171	—	17,462	36,711	39,089
Repurchase Agreements	970,000	970,000	—	—	—	—
U.S. Agency Obligations - Explicitly Guaranteed	218,250	674	166,232	16,305	708	34,331
U.S. Agency Obligations	1,617,315	422,385	223,534	921,391	13,256	36,749
U.S. Treasury Obligations	2,478,874	1,689,833	230,612	558,119	310	—
Total Debt Securities	**8,467,941**	**$ 5,954,175**	**$ 683,959**	**$ 1,666,765**	**$ 51,998**	**$ 111,044**
Equity Mutual Funds						
Domestic	188,575					
International	934					
Equity Securities						
Domestic	152,525					
International	567					
Real Estate Held for Investments	6,341					
Real Estate Investment Trust	400					
Other	203					
Total Investments	**$ 8,817,486**					

*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	$ 6,874,994	5.0
International Obligations:		
Corporate	1,045,225	4.4
U.S. Treasury Obligations	23,365,767	5.8
Total Debt Securities	31,285,986	
Common Stock		
Domestic	66,254,395	
International	21,346,114	
Mutual Funds - Equity	8,969	
Private Equity	575,958	
Commingled Funds	2,421,327	
Total Investments	**$ 121,892,749**	

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	$ 51,025	—	—	22,475	8,713	19,837
Corporate Debt						
Domestic	232,952	844	10,458	89,278	75,955	56,417
International	9,537	70	96	5,749	1,392	2,230
Commingled Funds	33,743	—	—	33,743	—	—
Exchange Traded Funds	111	111	—	—	—	—
Guaranteed Investment Contracts	259	—	—	—	—	259
International Government Obligations	3,207	—	—	444	365	2,398
Money Market Mutual Funds	67,648	67,648	—	—	—	—
Mortgage-backed Securities	106,310	1	—	2,444	724	103,141
Municipal Bonds	8,686	60	—	3,084	1,618	3,924
Mutual Funds - Debt*	152,625	—	—	1,335	59,835	91,455
U.S. Agency Obligations-Explicitly Guaranteed	1,107	—	1,020	87	—	—
U.S. Agency Obligations	76,935	271	888	4,801	2,608	68,367
U.S. Treasury Obligations	130,534	365	16,952	63,730	18,848	30,639
Total Debt Securities	**874,679**	**$ 69,370**	**$ 29,414**	**$ 227,170**	**$ 170,058**	**$ 378,667**
Commingled Funds	164,791					
Equity Mutual Funds						
Domestic	290,472					
International	20,849					
Equity Securities						
Domestic	2,472,144					
International	328,009					
Exchange Traded Funds-Equity	29,394					
Exchange traded funds - International	2,155					
Private Equity	90,548					
Real Estate Investment Trust	69,420					
Other	202					
Total Investments	**$ 4,342,663**					

*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):

		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	$ 375	$ —	$ —	$ 375	$ —	$ —
Certificate of Deposits	5,991	—	3,248	2,743	—	—
Corporate Debt						
Domestic	47,524	4,182	4,724	25,881	11,158	1,579
International	90	—	—	90	—	—
Insurance Contracts	20,082	—	—	—	—	20,082
International Government Obligations	7,779	1,969	430	2,536	2,365	479
General Obligation Bonds	6,765	3,669	29	3,067	—	—
Investment Agreements	11,830	—	—	2,810	3,208	5,812
Money Market Mutual Funds	209,110	141,307	67,803	—	—	—
Mortgage-Backed Securities	79,669	—	6	1,090	2,431	76,142
Municipal Bonds	856	—	5	766	43	42
Mutual Funds - Debt*	106,029	—	—	84,311	17,417	4,301
Non-purpose investments	73,483	—	73,483	—	—	—
Repurchase Agreements	79,456	73,691	—	—	—	5,765
Strategic Income Opportunities Funds	35,492	—	—	35,492	—	—
U.S. Agency Obligations - Explicitly Guaranteed	3,562	—	3,281	281	—	—
U.S. Agency Obligations	95,075	5,181	4,994	61,982	19,586	3,332
U.S. Treasury Obligations	629,013	6,246	16,009	527,977	49,267	29,514
Total Debt Securities	**1,412,181**	**$ 236,245**	**$ 174,012**	**$ 749,401**	**$ 105,475**	**$ 147,048**
Equity Mutual Funds						
Domestic	114,452					
International	15,340					
Equity Securities						
Domestic	3,171					
International	4,162					
Exchange Traded Funds	8,235					
Other Investments	4,311					
Total Investments	**$ 1,561,852**					

* 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	$ 20	$ —	$ —	$ —	$ —	$ —	$ 20
Corporate Debt							
Domestic	233,207	—	35,424	189,322	8,461	—	—
Money Market Mutual Funds	2,597,127	7,670	9,537	—	—	—	2,579,920
Mortgage-Backed Securities							
Commercial	691	691	—	—	—	—	—
Municipal Bonds	1,061	74	597	305	64	—	21
Mutual Funds - Debt	93,435	479	76	—	—	20	92,860
Repurchase Agreements	970,000	—	—	—	—	—	970,000
U.S. Agency Obligations	1,617,317	317,568	1,299,749	—	—	—	—
Total Credit Risk-Investments	**5,512,858**	**$ 326,482**	**$ 1,345,383**	**$ 189,627**	**$ 8,525**	**$ 20**	**$ 3,642,821**
Bank Deposit Held for							
Investment Purposes	257,960						
U.S. Agency Obligations							
Explicitly Guaranteed	218,250						
U.S. Treasury Obligations	2,478,873						
Total Debt Securities	**$ 8,467,941**						

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	$ 51,025	$ 31,124	$ 4,797	$ 2,071	$ 3,221	$ 52	$ 272	$ 859	$ 145	$ 96	$ 8,388
Corporate Debt											
Domestic	7,107,947	1,396,459	2,500,585	2,520,568	681,037	4,314	—	—	—	—	4,984
International	1,054,761	—	836,276	210,461	6,242	1,782	—	—	—	—	—
Exchange Traded Funds	111	—	—	—	—	—	—	—	—	—	111
Guaranteed Investment Contracts	259	—	—	—	—	—	—	—	—	—	259
International Government Obligations	3,206	—	198	565	2,443	—	—	—	—	—	—
Money Market Mutual Funds	67,648	4,303	—	—	—	—	—	—	—	—	63,345
Mortgage-backed Securities	106,310	27,494	15,980	9,975	8,540	1,134	469	85	170	60	42,403
Municipal Bonds	8,685	—	873	4,419	3,393	—	—	—	—	—	—
Mutual Funds - Debt	152,625	—	—	—	—	—	—	—	—	—	152,625
U.S. Agency Obligations	75,952	2,115	430	—	2,135	—	—	—	—	—	71,272
Total Credit Risk - Investments	**8,628,529**	**1,461,495**	**3,359,139**	**$2,748,059**	**$707,011**	**$7,282**	**$ 741**	**$ 944**	**$ 315**	**$ 156**	**$343,387**
Commingled Funds	33,743										
U.S. Agency Obligations Explicitly Guaranteed	2,091										
U.S. Treasury Obligations	23,496,302										
Total Debt Securities	**$32,160,665**										

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	B	Not Rated
Asset-Backed Securities								
Domestic	$ 375	$ 265	$ —	$ —	$ —	$ —	$ —	$ 110
Certificate of Deposits	5,991	—	749	1,240	1,253	—	—	2,749
Corporate Debt								
Domestic	47,523	339	16,643	13,916	16,052	292	70	211
International	90	—	—	—	—	—	—	90
Insurance Contracts	20,082	20,082	—	—	—	—	—	—
International Government								
Obligations	7,780	773	399	2,418	4,037	153	—	—
General Obligation Bonds	6,764	6,764	—	—	—	—	—	—
Investment Agreements	11,830	—	—	—	11,830	—	—	—
Money Market Mutual Funds	209,112	133,210	—	—	—	—	—	75,902
Mortgage-Backed Securities	79,667	65,812	13,456	138	50	—	—	211
Municipal Bonds	856	152	492	212	—	—	—	—
Mutual Funds - Debt	106,028	—	—	7,098	8,571	—	—	90,359
Non-purpose investments	73,483	—	—	—	—	—	—	73,483
Repurchase Agreements	79,456	5,765	—	—	—	—	—	73,691
Strategic Income								
Opportunities Funds	35,492	—	—	—	—	—	—	35,492
U.S. Agency Obligations	95,076	80,037	4,787	—	—	—	—	10,252
Total Credit Risk - Investments	**779,605**	**$ 313,199**	**$ 36,526**	**$ 25,022**	**$ 41,793**	**$ 445**	**$ 70**	**$ 362,550**
U.S. Treasury Obligations	629,014							
U.S. Agency Obligations								
Explicitly Guaranteed	3,562							
Total Debt Securities	**$ 1,412,181**							

<u>Custodial Credit Risk - Investments</u>

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, 2021, $6.2 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, 2021, $0.4 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, 2021, for the USG business-type activity investments approximately 10.37%, 8.61% and 7.10% of investments were investments in Federal National Mortgage Assoc. notes and pools, Federal Home Loan Corp/ Pools, and the Vanguard Total Stock Market ETF domestic equity securities, respectively.

At June 30, 2021, approximately 18.89% of the primary government's total investments were investments in securities of U.S. agencies not explicitly guaranteed by the U.S. Government. Approximately 30.12% 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, 2021, 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, 2021, approximately 16.35% of the total USG Fiduciary Fund investments were investments in Vanguard Total Stock Market ETF domestic equity securities. These investments are reported in the following Funds as follows:

- Approximately 25.33% of Augusta University Early Retirement Pension Plan Fiduciary Fund investments were invested in Vanguard Total Stock Market ETF domestic securities.

- Approximately 10.75% of the Board of Regents Retiree Health Benefit Fiduciary Fund investments were invested in Vanguard Total Stock Market ETF domestic securities.

- Approximately 16.60% of Board of Regents Investment Pool Custodial Fund investments were invested in Vanguard Total Stock Market ETF domestic equity securities.

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, 2021, 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.

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.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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 nonproprietary 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	$ 20	$ 20	$ —	$ —
Corporate Debt				
Domestic	233,208	—	233,208	—
Equity Mutual Fund				
Domestic	188,574	188,574	—	—
International	934	934	—	—
Equity Securities				
Domestic	152,525	152,525	—	—
International	567	189	378	—
Money Market Mutual Funds	2,597,129	2,597,129	—	—
Municipal Bonds	1,060	1,060	—	—
Mutual Funds - Debt	93,434	93,434	—	—
Mortgage Backed Securities Commercial	691	—	691	—
Real Estate Held for Investment Purposes	6,341	—	—	6,341
Real Estate Investment Trusts	400	400	—	—
US Agencies Obligations-Explicitly Guaranteed	218,250	—	218,250	—
US Agencies Obligations	1,617,317	—	1,617,317	—
U.S. Treasury Obligations	2,478,873	2,478,873	—	—
Other	203	203	—	—
	7,589,526	**$ 5,513,341**	**$ 2,069,844**	**$ 6,341**
Reconciling Items:				
Bank Deposits Held for Investment Purposes	257,960			
Repurchase Agreements	970,000			
Total Investments	**$ 8,817,486**			

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Fiduciary Funds

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	$ 51,025	$ —	$ 51,025	$ —	$ —
Commingled Funds	2,455,070	103,605	2,351,465	—	—
Commingled Funds - Equity	164,791	—	164,791	—	—
Corporate Debt					
Domestic	7,107,946	—	7,107,946	—	—
International	1,054,762	—	1,054,762	—	—
Equity Securities					
Domestic	68,726,539	68,726,539	—	—	—
International	21,674,123	21,581,741	92,382	—	—
Exchange Traded Funds	111	111	—	—	—
Exchange Traded Funds - Equity	29,394	29,394	—	—	—
Exchange traded funds - International	454	454	—	—	—
Guaranteed Investment Contracts	259	—	—	259	—
International Government Obligations	3,206	—	3,206	—	—
Money Market Mutual Funds	67,648	8,156	59,492	—	—
Mortgage Backed Securities	106,310	—	106,310	—	—
Municipal bonds	8,685	—	8,685	—	—
Mutual Funds-Debt	152,625	152,625	—	—	—
Mutual Fund Equities					
Domestic	299,441	299,441	—	—	—
International	20,849	20,849	—	—	—
Private Equities	544,863	—	—	—	544,863
Real Estate Investment Trusts	69,420	69,183	237	—	—
U.S. Agencies Obligations Explicitly Guaranteed	1,107	—	1,107	—	—
U.S. Agency Obligations	76,937	—	76,937	—	—
U.S. Treasury Obligations	23,496,301	23,366,226	130,075	—	—
Other	202	202	—	—	—
	126,112,068	**$ 114,358,526**	**$ 11,208,420**	**$ 259**	**$ 544,863**
Reconciling Items:					
Short-term Investment Funds	121,642				
Pending Purchases	1,702				
Total Investments	**$ 126,235,412**				

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	$ 375	$ —	$ 375	$ —	$ —
Bond Securities	106,739	85,516	21,164	—	59
Certificate of Deposits	7,141	5,991	1,150	—	—
Corporate Debt					
Domestic	68,866	45,688	22,967	—	211
International	90	—	—	—	90
Equity Securities					
Domestic	468,877	468,590	—	—	287
International	630,936	596,075	—	—	34,861
Exchange Traded Funds	8,235	8,235	—	—	—
General Obligation Funds	30,666	23,902	6,764	—	—
Insurance Contracts	20,082	—	—	—	20,082
International Government Obligations	7,778	7,778	—	—	—
Investment Agreements	11,830	—	—	11,830	—
Money Market Mutual Funds	571,914	555,682	117	—	16,115
Municipal Obligations	857	—	857	—	—
Mutual Bond Funds	210,730	79,099	105,939	16,990	8,702
Mutual Fund Equities					
Domestic	636,122	579,636	50,113	—	6,373
International	249,569	132,487	8,617	—	108,465
Mortgage Backed Securities	79,668	79,668	—	—	—
Non Purpose Investments	73,483	—	73,483	—	—
Real Estate Held for Investment Purposes	71,744	—	—	71,744	—
Real Estate Investment Trusts	116,354	58,712	—	—	57,642
Strategic Income Opportunity fund	35,492	35,492	—	—	—
US Agencies Obligations - Explicitly Guaranteed	10,809	—	10,809	—	—
US Agencies Obligations	105,398	89,694	15,704	—	—
U.S. Treasury Obligations	671,741	455,074	216,667	—	—
Other	2,564,338	21,804	7,980	8,971	2,525,583
	6,759,834	**$ 3,329,123**	**$ 542,706**	**$ 109,535**	**$ 2,778,470**
Repurchase Agreements	80,635				
Total Investments	**$ 6,840,469**				

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, 2021, 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, 2021

	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	$ —	$ 52,985	$ —	$ 52,985	$ —	$ 262,500	$ —	$ 262,500
Brazilian Real	—	31,438	—	31,438	—	157,428	—	157,428
British Pound	—	118,917	—	118,917	—	587,837	—	587,837
Canadian Dollar	—	46,566	—	46,566	—	233,212	—	233,212
Chilean Peso	—	2,349	—	2,349	—	11,790	—	11,790
Chinese Renminbi	—	4,221	—	4,221	—	21,510	—	21,510
Columbian Peso	—	734	—	734	—	3,672	—	3,672
Czech Krone	—	1,807	—	1,807	—	9,045	—	9,045
Danish Krone	—	26,900	—	26,900	—	134,084	—	134,084
Euro	—	426,470	—	426,470	—	2,096,692	—	2,096,692
Hong Kong Dollar	—	194,224	—	194,224	—	959,218	—	959,218
Indian Rupee	—	87,441	—	87,441	—	432,200	—	432,200
Indonesian Rupiah	—	4,148	—	4,148	—	20,755	—	20,755
Israeli Sheke	—	2,989	—	2,989	—	15,008	—	15,008
Japanese Yen	—	273,882	—	273,882	—	1,351,638	—	1,351,638
Malaysian Ringgit	—	10,838	—	10,838	—	54,336	—	54,336
Mexican Peso	—	8,164	—	8,164	—	40,540	—	40,540
New Taiwan Dollar	—	50,569	—	50,569	—	254,556	—	254,556
New Zealand Dollar	—	1,247	—	1,247	—	6,238	—	6,238
Norwegian Krone	—	2,955	—	2,955	—	15,018	—	15,018
Philippine Peso	2	3,960	—	3,962	8	19,783	—	19,791
Polish Zloty	—	2,988	—	2,988	—	15,032	—	15,032
Qatari Riyal	—	3,850	—	3,850	—	19,360	—	19,360
Singapore Dollar	—	22,144	—	22,144	—	108,013	—	108,013
South African Rand	—	27,403	—	27,403	—	136,641	—	136,641
South Korean Won	—	106,975	—	106,975	—	533,471	—	533,471
Swedish Krona	—	65,540	—	65,540	—	325,095	—	325,095
Swiss Franc	—	46,099	—	46,099	—	231,129	—	231,129
Thailand Baht	—	15,141	—	15,141	—	75,390	—	75,390
UAE Dirham	—	7,320	—	7,320	—	36,685	—	36,685
Total Holdings subject to Foreign Currency Risk	2	1,650,264	—	1,650,266	8	8,167,876	—	8,167,884
Investment Securities payable in U.S. Dollars	—	1,940,338	209,045	2,149,383	—	9,583,988	836,180	10,420,168
Total International Investment Securities - at Fair Value	**$ 2**	**$ 3,590,602**	**$ 209,045**	**$ 3,799,649**	**$ 8**	**$ 17,751,864**	**$ 836,180**	**$ 18,588,052**

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Other Pension and Employee Benefit Trust Funds

Currency	Cash & Cash Equivalents	Equities	Fixed Income	Total
Australian Dollar	$ —	$ 1,823,894	$ —	$ 1,823,894
British Pound	60,492	10,599,948	—	10,660,440
Canadian Dollar	—	1,285,181	—	1,285,181
Euro	50,193	6,865,262	—	6,915,455
Japanese Yen	3,280	491,711	—	494,991
Norwegian Krone	—	1,376,861	—	1,376,861
Swedish Krona	1,373	2,741,016	—	2,742,389
Swiss Franc	2,095	210,405	—	212,500
Total Holdings subject to Foreign Currency Risk	117,433	25,394,278	—	25,511,711
Investment Securities payable in U.S. Dollars	—	15,552,451	1,612,680	17,165,131
Total International Investment Securities - at Fair Value	$ 117,433	$ 40,946,729	$ 1,612,680	$ 42,676,842

D. Pooled Investments with State Treasury

As of the end of the year, the state operates four local government investment pools managed by OST and is comprised of Georgia Fund 1, Georgia Fund 1 Plus, Georgia Extended Asset Pool (GEAP) and Georgia Extended Asset Pool Plus (GEAP Plus). GEAP Plus was established on July 1, 2018 and GEAP was established on July 1, 2019 as investments for the OPEB Trust Fund. GEAP was initially funded with with approximately $163.0 million of OPEB Trust Funds. Both GEAP Plus and GEAP are 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, GEAP Plus and GEAP pools.

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.

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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 $13.3 billion at June 30, 2021, and the collateral value was equal to 102.4%. 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, 2021, the Department held surety bonds in the amount of $48.8 million, and cash bonds in the amount of $17.2 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, 2021, securities valued at $196.3 million were held by the Department of Insurance. These securities are not recorded on the Balance Sheet.

Statutes require that surety bonds be provided for State public works contracts. The Department of Transportation holds surety bonds in the amount of $4.0 billion for construction performance to ensure proper completion and complete performance of construction contracts, and $4.4 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

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Department of Corrections holds surety bonds in the amount of $79.5 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, 2021, the Department held surety bonds in the amount of $63.0 million, and cash bonds in the amount of $3.1 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 $12.2 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 2021 and 2020 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 06/30/21		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - GASB					
Cash flow hedges:					
AU Health Systems, Inc.					
2014&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)	

	Change in Fair Value		Fair Value at 06/30/20		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - GASB					
Cash flow hedges:					
AU Health Systems, Inc.					
2014A&B - Interest Rate Swap	Investment Revenue	$ (8,096)	Debt	$ (28,181)	$ 102,120
University of Georgia Athletic Association, Inc.					
2005B - Interest Rate Swap	Deferred outflow of resources	(1,328)	Debt	(5,065)	19,775
				$ (33,246)	

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.

The Swap matures on July 1, 2037. The notional amount of the Swap at June 30, 2021 and 2020 was $97.4 and $102.1 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 such that the outstanding balance of the 2021A Bonds approximate the notional amount of the Swap at all times. Under the Swap, the Health System pays the counterparty interest at a fixed rate of 3.302% and receives interest payments at a variable rate computed as 68% of London Interbank Offered Rate (LIBOR).

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

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, 2021 and 2020, the fair value of the Swap represented a liability to the Health System in the amount of $20.6 and $28.2 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, 2021 and 2020, the Health System had $20.6 and $28.2 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, 2021 and 2020, the Health System was exposed to credit risk in the amount of the fair value of the Swap. The Health System has two Swap counterparties. As of June 30, 2021 and 2020, 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. 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. 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 that 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.

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.

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

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, 2021, the fair value of the interest rate swap agreements was $3.7 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, 2021, 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:				
2022	$ 980	$ 621	$ 2	$ 1,603
2023	1,010	586	2	1,598
2024	1,045	550	1	1,596
2025	1,080	512	1	1,593
2026	1,120	473	1	1,594
2027-2031	6,215	1,732	5	7,952
2032-2036	7,380	531	2	7,913
Total	**$ 18,830**	**$ 5,005**	**$ 14**	**$ 23,849**

Credit Risk - As of June 30, 2021, 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 loss equivalent to $0.2 million less the cumulative fair value of $5.1 million.

As of June 30, 2021 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 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

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

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 2021 and 2020 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 06/30/21		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - FASB					
Cash flow hedges:					
Georgia College & State University Foundation, Inc.	Investment Revenue	$ 1,161	Debt	$ —	$ 20,600
	Investment Revenue	5,554	Debt	—	69,820
University of Georgia Foundation	Investment Revenue	514	Debt	(1,538)	3,926
	Investment Revenue	752	Debt	(1,180)	10,145
				$ (2,718)	

	Change in Fair Value		Fair Value at 06/30/20		
	Classification	**Amount**	**Classification**	**Amount**	**Notional**
Component unit activities - FASB					
Cash flow hedges:					
Georgia College & State University Foundation, Inc.	Investment Revenue	$ 58	Debt	$ (1,161)	$ 20,600
	Investment Revenue	(283)	Debt	(5,554)	69,820
University of Georgia Foundation	Investment Revenue	(534)	Debt	(2,052)	4,063
	Investment Revenue	(1,124)	Debt	(1,932)	10,545
				$ (10,699)	

Georgia College & State University Foundation, Inc. (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.

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

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

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, 2021 and 2020, the total notional amount of the swap was $3.9 and $4.1 million, respectively. As of June 30, 2021 and 2020, the fair value of this interest rate swap was a liability of $1.5 and $2.0 million, respectively. The Foundation recorded a related unrealized gain of $0.5 million and unrealized loss of $0.5 million for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, the total notional amount of the swap was $10.1 and $10.5 million, respectively. As of June 30, 2021 and 2020, the fair value of this interest rate swap was a liability of $1.2 and $1.9 million, respectively. The Foundation recorded a related unrealized gain of $0.7 and unrealized loss of $1.1 million for the years ended June 30, 2021 and 2020, respectively.

Component Unit - FASB Organizations Derivative Investments

	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	

NOTE 6 - DERIVATIVE INSTRUMENTS (continued)

	Change in Fair Value		Fair Value at 06/30/20		
	Classification	Amount	Classification	Amount	Notional
Component unit activities - FASB					
Georgia Tech Foundation, Inc.	Investment Revenue	$ (753)	Investment	$ (141)	$ 101,098
	Investment Revenue	(4,357)	Investment	(3,544)	89,818
				$ (3,685)	

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 2021, the Foundation recognized net realized/unrealized gains on direct positions in Equity Index Futures derivatives and U.S. Treasury Futures derivatives of $28.3 million and ($7.3) million, respectively. As of June 30, 2021, the Foundation held direct positions in derivatives as shown in the following table (amounts in thousands):

Investment	Fair Value at 06/30/21	Notional Exposure
Equity Index Futures	$ 7,333	$ 54,710
U.S. Treasury Futures	492	119,988
Total	**$ 7,825**	**$ 174,698**

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021, consisted of the following (amounts in thousands):

	Taxes	Notes and Loans	Other	Inter-governmental Receivables	Gross Receivables	Allowance for Uncollectibles	Total Receivables (Net)
Governmental Activities							
General Fund	$ 4,352,438	$ —	$ 825,217	$ 3,046,306	$ 8,223,961	$ (1,734,111)	$ 6,489,850
Nonmajor Governmental Funds	—	—	34,662	—	34,662	—	34,662
Total - Governmental Funds	4,352,438	—	859,879	3,046,306	8,258,623	(1,734,111)	6,524,512
Government-wide adjustments:							
Internal Service Funds	—	—	112,623	3,922	116,545	(726)	115,819
Total - Governmental Activities	**$ 4,352,438**	**$ —**	**$ 972,502**	**$ 3,050,228**	**$ 8,375,168**	**$ (1,734,837)**	**$ 6,640,331**
Business-type Activities							
Higher Education Fund	$ —	$ 28,701	$ 283,225	$ 197,379	$ 509,305	$ (63,152)	$ 446,153
State Health Benefit Plan	—	—	64,971	—	64,971	(26,725)	38,246
Unemployment Compensation Fund	—	—	219,837	183,167	403,004	(13,296)	389,708
Georgia Higher Education Facilities Authority	—	—	320	—	320	—	320
State Road and Tollway Authority	—	—	2,120	—	2,120	(2)	2,118
Government-wide adjustments:							
Other	—	—	61	—	61	—	61
Total - Business-type Activities	**$ —**	**$ 28,701**	**$ 570,534**	**$ 380,546**	**$ 979,781**	**$ (103,175)**	**$ 876,606**
Component Units							
Unrestricted:							
AU Health Systems, Inc.	$ —	$ —	$ 313,258	$ —	$ 313,258	$ (92,031)	$ 221,227
Georgia Environmental Finance Authority	—	1,519,195	9,389	3,221	1,531,805	—	1,531,805
Georgia Geo. L. Smith II							
World Congress Center Authority	2,852	—	7,311	—	10,163	—	10,163
Georgia Housing and Finance Authority	—	595,158	685	—	595,843	(4,737)	591,106
Georgia Lottery Corporation	—	—	205,852	—	205,852	(1,898)	203,954
Georgia Ports Authority	—	—	96,801	—	96,801	(6,174)	90,627
Georgia Tech Foundation, Incorporated	—	828	113,033	—	113,861	(1,523)	112,338
Nonmajor Component Units	1,162	398,842	2,547,451	80,964	3,028,419	(67,620)	2,960,799
Total - Unrestricted	4,014	2,514,023	3,293,780	84,185	5,896,002	(173,983)	5,722,019
Government-wide adjustments:							
Addition of Fiduciary Fund Receivable	—	—	225	—	225	—	225
Total Unrestricted Goverment-wide	4,014	2,514,023	3,294,005	84,185	5,896,227	(173,983)	5,722,244
Restricted:							
Georgia Geo. L. Smith II							
World Congress Center Authority	—	—	84,657	—	84,657	(35,204)	49,453
Georgia Housing and Finance Authority	—	1,315,588	9,029	—	1,324,617	(4,500)	1,320,117
Georgia Tech Foundation, Incorporated	—	—	73,094	—	73,094	(1,706)	71,388
Nonmajor Component Units	—	—	127,159	—	127,159	(5,119)	122,040
Total - Restricted	—	1,315,588	293,939	—	1,609,527	(46,529)	1,562,998
Total - Component Units (Government-wide)	**$ 4,014**	**$ 3,829,611**	**$ 3,587,944**	**$ 84,185**	**$ 7,505,754**	**$ (220,512)**	**$ 7,285,242**

NOTE 8 - INTERFUND BALANCES AND TRANSFERS

A. Due To/From Other Funds

Due To/From Other Funds at June 30, 2021, consist of the following (amounts in thousands):

	Due From Other Funds						
	General Fund	Nonmajor Governmental Fund	Higher Education Funds	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Due To Other Funds
Due To Other Funds							
General Fund	$ —	$ —	$ —	$ —	$ 663,673	$ —	$ 663,673
General Obligation Bond Projects Fund	—	—	17,550	—	—	—	17,550
Nonmajor Governmental Funds	13,849	—	—	—	8	—	13,857
Higher Education Fund	—	—	—	—	265,986	—	265,986
State Health Benefit Plan	—	—	—	—	—	28,285	28,285
Nonmajor Enterprise Funds	—	676	—	—	—	—	676
Internal Service Funds	1,277	—	—	—	10	—	1,287
Fiduciary Funds	—	—	—	61	9	412	482
Total Due From Other Funds	**$ 15,126**	**$ 676**	**$ 17,550**	**$ 61**	**$ 929,686**	**$ 28,697**	**$ 991,796**

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, 2021, 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	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total Transfers Out
Transfers Out:								
General Fund	$ —	$ 14,770	$ 1,497,457	$2,717,977	$ 14,854	$ 4,130	$ 2,857	$4,252,045
General Obligation Bond Projects Fund	15,000	—	175,266	—	—	—	—	190,266
Nonmajor Governmental Funds	51,340	—	—	—	5,288	—	—	56,628
Higher Education Fund	5,011	—	—	—	—	—	—	5,011
Unemployment Compensation Fund	23,326	—	—	—	—	—	—	23,326
Internal Service Funds	—	—	—	2,851	—	—	—	2,851
Fiduciary Funds	—	—	—	—	—	5,775	—	5,775
Total Transfers In	**$ 94,677**	**$ 14,770**	**$ 1,672,723**	**$2,720,828**	**$ 20,142**	**$ 9,905**	**$ 2,857**	**$4,535,902**

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

A. Primary Government

Capital Asset activity for the fiscal year-ended June 30, 2021, was as follows (amounts in thousands):

	Balance 7/1/2020 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2021
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 4,654,832	$ 228,688	$ (2,414)	$ 4,881,106
Works of Art and Collections	1,400	—	—	1,400
Intangibles - Other Than Software	132,910	1,816	(1,500)	133,226
Construction in Progress	4,010,734	2,807,029	(2,509,878)	4,307,885
Total Capital Assets, Not Being Depreciated	8,799,876	3,037,533	(2,513,792)	9,323,617
Capital Assets Being Depreciated:				
Infrastructure	33,922,023	1,246,773	(1,489)	35,167,307
Buildings and Building Improvements	4,663,095	189,462	(55,673)	4,796,884
Improvements Other Than Buildings	187,823	10,514	—	198,337
Intangibles - Other than Software	1,644	114	—	1,758
Machinery and Equipment	1,331,872	205,510	(58,782)	1,478,600
Software	603,611	36,589	(2,742)	637,458
Total Capital Assets Being Depreciated	40,710,068	1,688,962	(118,686)	42,280,344
Less Accumulated Depreciation For:				
Infrastructure	20,532,741	939,362	(28)	21,472,075
Buildings and Building Improvements	2,283,237	127,848	(27,445)	2,383,640
Improvements Other Than Buildings	66,979	4,718	—	71,697
Intangibles - Other Than Software	1,435	122	—	1,557
Machinery and Equipment	903,638	146,497	(53,713)	996,422
Software	353,456	36,670	(2,742)	387,384
Total Accumulated Depreciation	24,141,486	1,255,217	(83,928)	25,312,775
Total Capital Assets, Being Depreciated, Net	16,568,582	433,745	(34,758)	16,967,569
Governmental Activities Capital Assets, Net	**$ 25,368,458**	**$ 3,471,278**	**$ (2,548,550)**	**$ 26,291,186**

NOTE 9 - CAPITAL ASSETS (continued)

	Balance 7/1/2020 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2021
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	$ 520,608	$ 4,142	$ (17,018)	$ 507,732
Works of Art and Collections	55,818	1,781	(18)	57,581
Construction in Progress	256,778	233,025	(335,319)	154,484
Total Capital Assets, Not Being Depreciated	833,204	238,948	(352,355)	719,797
Capital Assets Being Depreciated:				
Infrastructure	422,902	17,692	(27,683)	412,911
Buildings and Building Improvements	14,669,200	441,814	(40,785)	15,070,229
Improvements Other Than Buildings	407,560	50,179	(1,979)	455,760
Machinery and Equipment	2,404,620	169,513	(232,720)	2,341,413
Software	204,886	4,601	—	209,487
Library Collections	1,009,252	31,836	(9,596)	1,031,492
Works of Art and Collections	6,765	101	(11)	6,855
Total Capital Assets Being Depreciated	19,125,185	715,736	(312,774)	19,528,147
Less Accumulated Depreciation For:				
Infrastructure	180,401	16,351	(18,063)	178,689
Buildings and Building Improvements	5,208,205	375,302	(17,735)	5,565,772
Improvements Other Than Buildings	205,750	16,556	(603)	221,703
Machinery and Equipment	1,768,409	158,905	(161,518)	1,765,796
Software	80,751	18,475	—	99,226
Library Collections	840,133	33,678	(9,562)	864,249
Works of Art and Collections	1,991	163	(2)	2,152
Total Accumulated Depreciation	8,285,640	619,430	(207,483)	8,697,587
Total Capital Assets, Being Depreciated, Net	10,839,545	96,306	(105,291)	10,830,560
Business-type Activities, Capital Assets, Net	**$ 11,672,749**	**$ 335,254**	**$ (457,646)**	**$ 11,550,357**

NOTE 9 - CAPITAL ASSETS (continued)

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

Governmental Activities		
General Government	$	28,915
Education		3,855
Health and Welfare		41,262
Transportation		1,027,389
Public Safety		76,375
Economic Development		26,857
Culture and Recreation		20,025
Conservation		8,148
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)		22,391
Depreciation Expense - Governmental Activities	**$**	**1,255,217**

Business-type Activities		
Higher Education Fund	$	608,416
Nonmajor Enterprise Funds		11,015
Depreciation Expense - Business-type Activities	**$**	**619,431**

NOTE 9 - CAPITAL ASSETS (continued)

B. Component Units

Capital Asset activity for the fiscal year-ended June 30, 2021, was as follows (amounts in thousands):

	Balance July 1, 2020 (Restated - Note 3)	Increases	Decreases	Balance June 30, 2021
Component Units				
Capital Assets Not Being Depreciated:				
Land	$ 427,840	$ 29,890	$ (726)	$ 457,004
Works of Art and Collections	1,670	—	—	1,670
Construction in Progress	162,755	282,660	(32,192)	413,223
Total Capital Assets, Not Being Depreciated	592,265	312,550	(32,918)	871,897
Capital Assets Being Depreciated:				
Infrastructure	412,907	729	(3,108)	410,528
Buildings and Building Improvements	2,915,066	22,706	(3,615)	2,934,157
Improvements Other Than Buildings	967,070	13,839	(880)	980,029
Machinery and Equipment	1,364,192	63,114	(62,765)	1,364,541
Patents, Trademarks, and Copyrights	160	—	—	160
Software	41,417	1,319	—	42,736
Library Collections	4,750	136	(13)	4,873
Works of Art and Collections	71	—	—	71
Total Capital Assets Being Depreciated	5,705,633	101,843	(70,381)	5,737,095
Less Accumulated Depreciation For:				
Infrastructure	191,280	12,946	(1,226)	203,000
Buildings and Building Improvements	748,501	127,622	(1,292)	874,831
Improvements Other Than Buildings	432,020	44,046	(827)	475,239
Machinery and Equipment	778,067	81,588	(56,783)	802,872
Software	31,928	1,751	—	33,679
Library Collections	3,609	222	(13)	3,818
Works of Art and Collections	25	2	—	27
Total Accumulated Depreciation	2,185,430	268,177	(60,141)	2,393,466
Total Capital Assets, Being Depreciated, Net	3,520,203	(166,334)	(10,240)	3,343,629
Component Units Capital Assets, Net*	**$ 4,112,468**	**$ 146,216**	**$ (43,158)**	**$ 4,215,526**

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

NOTE 9 - CAPITAL ASSETS (continued)

As of June 30, 2021, the capital assets balances of FASB organizations are as follows (amounts in thousands):

Capital Assets Not Being Depreciated:	
Land	$ 149,520
Works of Art and Collections	8,069
Construction in Progress	76,816
Total Capital Assets, Not Being Depreciated	234,405
Capital Assets Being Depreciated	
Infrastructure	4,281
Buildings and Building Improvements	366,266
Improvements Other Than Buildings	14,334
Machinery and Equipment	37,213
Software	3,357
Total Capital Assets Being Depreciated	425,451
Less: Accumulated Depreciation	(166,135)
Total Capital Assets, Being Depreciated, Net	259,316
Capital Assets, Net (FASB presentation)	493,721
Total Capital Assets, Net - All Component Units	**$ 4,709,247**

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, 2021, are as follows (amounts in thousands):

	Balance 7/1/2020 (Restated - Note 3)	Additions	Reductions	Balance 6/30/2021	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds Payable	$ 9,439,470	$ 1,132,515	$ (943,835)	$ 9,628,150	$ 864,990
Revenue Bonds Payable	112,135	—	(48,675)	63,460	21,545
GARVEE Bonds Payable	115,300	484,160	(110,785)	488,675	36,020
Net Unamortized Premiums:					
General Obligation Bonds	958,374	183,801	(73,757)	1,068,418	—
Revenue Bonds	5,242	—	(2,517)	2,725	—
GARVEE Bonds	9,424	117,790	(11,843)	115,371	—
Total Bonds Payable	10,639,945	1,918,266	(1,191,412)	11,366,799	922,555
Notes and Loans Payable - Direct Borrowings	56,393	—	(4,094)	52,299	4,286
Notes and Loans Payable - Other	5,971	—	(2,971)	3,000	3,000
Capital Lease Obligations	316,463	28,248	(22,838)	321,873	28,110
Compensated Absences Payable	382,471	151,411	(164,670)	369,212	169,822
Total Governmental Activities	**$ 11,401,243**	**$ 2,097,925**	**$ (1,385,985)**	**$ 12,113,183**	**$ 1,127,773**
Business-type Activities					
Revenue Bonds Payable	$ 220,470	$ 2,649	$ (7,035)	$ 216,084	$ 7,768
Net Unamortized Premiums:					
Revenue Bonds	17,813	—	(1,560)	16,253	—
Total Bonds Payable	238,283	2,649	(8,595)	232,337	7,768
Notes and Loans Payable	290,019	1,106,558	(1,097,258)	299,319	1,860
Capital Lease Obligations	2,810,666	113,380	(247,423)	2,676,623	128,690
Compensated Absences Payable	299,794	212,267	(199,868)	312,193	184,810
Total Business-type Activities	**$ 3,638,762**	**$ 1,434,854**	**$ (1,553,144)**	**$ 3,520,472**	**$ 323,128**

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, 2021: capital leases of $33.4 million, compensated absences of $5.2 million and notes payable of $4.7 million. Of these amounts, $6.4 million, $2.2 million and $4.0 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, 2021, are as follows (amounts in thousands):

	Balance 7/1/2020 (Restated - Note 3)	Additions	Reductions	Balance 6/30/2021	Amounts Due Within One Year
Component Units					
Revenue Bonds Payable	$ 3,040,982	$ 805,774	$ (516,174)	$ 3,330,582	$ 104,163
Mortgage Bonds Payable	1,592,885	110,850	(174,455)	1,529,280	42,330
Net Unamortized Premiums/(Discounts):					
Revenue Bonds	167,759	73,795	(18,345)	223,209	—
Mortgage Bonds	10,871	—	(1,264)	9,607	—
Total Bonds Payable	4,812,497	990,419	(710,238)	5,092,678	146,493
Notes and Loans Payable	293,255	9,945	(15,387)	287,813	50,364
Net Unamortized Discounts	(1,815)	58	168	(1,589)	—
Capital Lease Obligations	85,869	18,540	(15,713)	88,696	9,372
Compensated Absences Payable	38,871	15,218	(11,757)	42,332	33,246
Grand Prizes Payable	173,080	21,320	(19,999)	174,401	5,007
Derivative Instruments Payable	43,945	—	(16,908)	27,037	—
Other Liabilities	29,883	40,279	(5,935)	64,227	12,552
Total Component Units	**$ 5,475,585**	**$ 1,095,779**	**$ (795,769)**	**$ 5,775,595**	**$ 257,034**

B. Bonds and Notes Payable

At June 30, 2021, 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%	2040	$ 12,787,705	$ 7,713,480
General Government - Refunding	1.50% - 5.00%	2039	3,663,560	1,914,670
Revenue Bonds				
Transportation Projects	5.00%	2024	204,035	63,460
GARVEE Bonds	4.00% - 5.00%	2032	548,010	488,675
Notes and Loans Payable	1.00% - 5.92%	2034	88,390	55,299
Business-type Activities				
Revenue Bonds				
Georgia Higher Education Facilities Authority	2.00% - 5.00%	2041	191,605	176,560
Transportation Projects	6.25% - 7.00%	2049	26,070	39,524
Notes and Loans Payable	2.04% - 5.50%	2054	264,286	299,319

NOTE 10 - LONG-TERM LIABILITIES (continued)

	Interest Rates	Maturing Through Year	Original Issue Amount	Outstanding Amount
Component Units				
Revenue Bonds				
Higher Education Foundations	0.01% - 5.75%	2053	$ 3,005,185	$ 2,453,888
A U Health Systems, Inc.	1.05% - 5.00%	2041	203,520	198,190
Georgia Tech Foundation	1.76% - 6.66%	2049	375,685	233,645
Geo. L. Smith, II Georgia World Congress Center Authority	2.38% - 5.00%	2054	439,595	439,595
Other Revenue Bonds	4.16% - 5.28%	2028	15,750	5,264
Mortgage Bonds				
Georgia Housing and Financing Authority	0.15% - 5.00%	2051	2,312,260	1,529,280
Notes and Loans Payable				
Higher Education Foundations	0.00% - 6.55%	2042	237,646	147,909
Georgia Tech Foundation	2.96% - 5.04%	2029	104,152	87,105
Geo. L. Smith, II Georgia World Congress Center Authority	4.50%	2045	46,158	44,716
Other Notes and Loans Payable	1.57% - 4.50%	2027	24,431	8,083

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 August 27, 2020, the State issued general obligation bonds, (Series 2020A and 2020B), 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, 2021, are as follows (amounts in thousands):

Purpose	Authorized Unissued Debt
K-12 Education	$ 327,405

Defeasance and Refunding of General Obligation Bonds

During fiscal year 2021 the State did not issue any refunding bonds. Original issue premium proceeds totaling $174.4 million from the issuance of the Series 2020A general obligation bonds were deposited into an escrow fund to defease a total of $171.7 million from ten different series of general obligation bonds with interest rates ranging from 1.00% to 5.00%.

As of June 30, 2021, the State had total outstanding advance refunded bonds of $216.2 million. The debt service for the refunded bonds is paid by a combination of cash and U.S. Treasury securities held irrevocably in escrow accounts. The escrow account assets and the liability for the defeased bonds are not included in the State's financial statements.

NOTE 10 - LONG-TERM LIABILITIES (continued)

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 $0.9 million. The early retirements of the bonds will save the State $0.9 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 2021, the State collected $1.8 billion of motor fuel tax funds, which exceeds the principal and interest due on the revenue bonds of $53.8 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 2021 is $63.5 million.

SRTA has issued Federal Highway Grant Anticipation Revenue Bonds and Federal Highway Reimbursement Revenue Bonds (GARVEE) of $548.0 million. Of these bonds issued, $484.2 million were new bonds issued during fiscal year 2021. These 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.

Business-type Activities

SRTA has issued toll revenue bonds of $26.1 million for the purpose of paying the costs of certain tolling infrastructure relating to the I-75 South Metro Express Lanes Project, financing a debt service reserve and paying the costs of issuance of the bonds. The bonds consist of both capital appreciation bonds and convertible capital appreciation bonds. For both sets of bonds, interest on the bonds will not be paid on a current basis but will be added to the principal amount of such bonds on each “accretion date,” which is each June 1 and December 1, commencing December 1, 2014. The convertible capital appreciation bonds convert after June 1, 2024. After conversion, the bonds will no longer accrete interest to the principal and begin interest payments while the capital appreciation bonds continue to accrete interest. Interest on the toll revenue bonds range from 6.25% to 7.00%. As of June 30, 2021, the outstanding principal balance is $39.5 million. These bonds are pledged and payable solely from I-75 South Metro Express Lanes toll revenue.

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, 2021, the outstanding principal for these revenue bonds is $176.6 million.

NOTE 10 - LONG-TERM LIABILITIES (continued)

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 0.01% to 5.75% with maturity dates through fiscal year 2052. As of June 30, 2021, the outstanding principal for these revenue bonds was $2.5 billion. These bonds are secured by lease arrangements for these various facilities with the Board of Regents.

In March 2021, the George 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 2.375% to 5.000% and interest is due semiannually beginning on July 1, 2021, until maturity on January 1, 2054. As of June 30, 2021 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 2049. As of June 30, 2021, the outstanding principal for these revenue bonds was $233.6 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 1.05% to 5.00% with maturity dates through fiscal year 2041. As of June 30, 2021, the outstanding principal for these revenue bonds was $198.2 million. These bonds are secured by gross revenues of AUHS.

Other component units had revenue bonds payable outstanding at June 30, 2021, of $5.3 million as detailed below (amounts in thousands):

	Amount
Lake Lanier Islands Development Authority	$ 4,739
Regional Educational Service Agencies (RESA)	525
Total	**$ 5,264**

NOTE 10 - LONG-TERM LIABILITIES (continued)

E. Mortgage Bonds

Component Units

Mortgage bonds outstanding of $1.5 billion at June 30, 2021, 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, 2021, were $52.3 million.

- Of this amount, Energy Performance Contracts for the Department of Economic Development, the Department of Corrections and the Department of Natural Resources, attributed $25.2 million, $21.7 million, and $3.6 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.

- Georgia Technology Authority has total notes payable of $1.8 million related to the Cyber Center Audio Visual with interest rates ranging from 3.25% to 5.92%, and matures in 2023. Default occurs when payment is not made, at which point the assets revert back to the seller and additional penalties may be incurred.

Notes and loans payable - Other in governmental activities as of June 30, 2021, were $3.0 million.

- Georgia Technology Authority has total notes payable $3.0 million related to the Statewide Cost Allocation Plan for the fiscal years 2004 to 2009, and is payable to the U.S. Department of Health and Human Services with a 1.0% interest rate, and matures in 2022.

NOTE 10 - LONG-TERM LIABILITIES (continued)

Business-type Activities

Notes and loans payable for business-type activities as of June 30, 2021, were as follows (amounts in thousands):

	Amount
Transportation Projects	$ 290,169
Georgia Institute of Technology	8,843
Georgia Southern University	307
Total	**$ 299,319**

Transportation Projects Notes and Loans

The notes and loans payable balance in Transportation Projects consists of a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan which is related to the I-75 Northwest Corridor Express Lanes Project. In November 2013, SRTA executed a TIFIA loan of up to $275.0 million which proceeds, when drawn upon, will finance a portion of the costs for the project. During construction and for a period of up to five years following substantial completion, interest is compounded and added to the initial TIFIA loan. The TIFIA loan requires mandatory debt service payments at a minimum and scheduled debt service payments to the extent additional funds are available. TIFIA debt service payments are expected to commence in 2023, which is five years after substantial completion. The interest rate of the TIFIA loan is 3.79%. $249.7 million was drawn on the TIFIA loan as of fiscal year 2021. The outstanding balance as of June 30, 2021 was $290.2 million which included $40.5 million in accreted interest.

Other Notes and Loans activity

During the fiscal year, due to the COVI-19 pandemic the Unemployment Compensation Fund was depleted, and therefore loans totaling $1.1 billion were taken from the U.S. Department of Labor in order to continue paying claims. These loans were repaid prior to fiscal year end using CARES Act funds, and no loans were outstanding at June 30, 2021.

Component Units

Notes and loans payable for component units as of June 30, 2021, were as follows (amounts in thousands):

	Amount
Higher Education Foundations	$ 147,909
Georgia Tech Foundation, Inc.	87,105
Geo. L. Smith II World Congress Center Authority	44,716
Lake Lanier Islands Development Authority	6,089
Pioneer RESA	1,994
Total	**$ 287,813**

NOTE 10 - LONG-TERM LIABILITIES (continued)

Higher Education Foundations Notes and Loans

The Georgia Tech Athletic Association has an unsecured revolving line of credit in the amount of $12 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 May 13, 2022. Accrued interest is due on the 15th day of each month. The interest rate on the line of credit is the higher of one-month LIBOR plus 1.00% or a fixed rate of 1.75%. A fee of 0.20% will be charged quarterly on the unused portion of the revolving credit facility. There was a $12 million balance outstanding on the line of credit at June 30, 2021.

As of June 30, 2021 Georgia Tech Athletic Association has notes payable secured by real property, interest payable quarterly at a variable rate of 30-day LIBOR plus 1.85% per annum (1.94% at June 30, 2021) for a $1.8 million outstanding balance and interest payable quarterly at a variable rate of 30-day LIBOR plus 0.70% per annum (0.79% at June 30, 2021) for $10 million outstanding balance. Quarterly principal payments of $0.9 million beginning July 2014 thru July 2028. The outstanding balance as of June 30, 2021 was $11.8 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. The note matures in September 2021. The outstanding balance at June 30, 2021 was $12.0 million.

During October 2014, the University of Georgia Foundation entered into a series of transactions, as follows: (1) The 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 Foundation entered into a loan agreement with a bank in which the 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 1.27% at June 30, 2021. Principal and interest on the promissory loan agreement are payable quarterly. The outstanding balance at June 30, 2021 was $10.0 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 LIBOR plus 0.48%. At June 30, 2021, the rate applicable to the borrowings was 0.57%. The outstanding balance at June 30, 2021 was 14.0 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 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, 2021 is $37.1 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

NOTE 10 - LONG-TERM LIABILITIES (continued)

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, 2021 is $34.4 million.
In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2021, an additional $16.4 million in notes were held by various higher education foundations.

Other Component Units Notes and Loans

The Georgia Tech Foundation, Inc. has guaranteed lines of credit in the name of the Georgia Tech Foundation Funding Corporation (GTFFC) totaling $26.0 million. The Georgia Tech Foundation, Inc has one line of credit in the name of the Foundation totaling to $25.0 million. Interest is calculated using the LIBOR rate. This resulted in an average effective interest rate of 0.75% at June 30, 2021. As of June 30, 2021, the outstanding balance on the note was $16.6 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, 2021 was 5.04%. As of June 30, 2021, the outstanding balance on the note was $33.0 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, 2021 was 4.75%. As of June 30, 2021, the outstanding balance on the loan was $11.8 million.

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 effective interest rate at June 30, 2021 was 4.75%. As of June 30, 2021, the outstanding balance on the loan was $25.7 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 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, 2021 was $44.7 million.

In addition to the notes and loans discussed in the previous paragraphs, as of June 30, 2021, an additional $8.1 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.*

NOTE 10 - LONG-TERM LIABILITIES (continued)

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.

<u>Governmental Activities</u>

Department of Natural Resources

Department of Natural Resources has recorded liabilities totaling $77.3 million at June 30, 2021 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 2021 was as follows (amounts in thousands):

7/1/2020	Additions	Reductions	6/30/2021	Amounts Due Within One Year
$ 80,220	$ 16,991	$ 19,926	$ 77,284	$ —

NOTE 10 - LONG-TERM LIABILITIES (continued)

I. 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
2022	$ 864,990	$ 383,292	$ 21,545	$ 2,634	$ 36,020	$ 24,423	$ 4,286	$ 1,996
2023	823,935	346,515	22,650	1,530	37,810	22,622	4,124	1,820
2024	809,535	311,340	19,265	482	39,715	20,731	3,571	1,674
2025	751,890	278,079	—	—	41,685	18,757	3,763	1,539
2026	694,560	245,851	—	—	43,770	16,672	3,876	1,398
2027-2031	2,946,215	814,766	—	—	239,035	48,627	22,543	4,606
2032-2036	1,952,030	295,221	—	—	50,640	2,532	10,136	611
2037-2041	784,995	47,298	—	—	—	—	—	—
Total	**$ 9,628,150**	**$ 2,722,362**	**$ 63,460**	**$ 4,646**	**$ 488,675**	**$ 154,364**	**$ 52,299**	**$ 13,644**

	Governmental Activities		Business-type Activities			
	Notes and Loans Payable - Other		Revenue Bonds		Notes and Loans Payable	
Year	Principal	Interest	Principal *	Interest	Principal *	Interest
2022	$ 3,000	$ 30	$ 7,768	$ 7,692	$ 1,860	$ 201
2023	—	—	8,515	7,386	1,899	162
2024	—	—	9,190	7,063	1,266	11,743
2025	—	—	7,521	9,108	615	11,755
2026	—	—	8,224	8,751	1,736	11,713
2027-2031	—	—	48,712	38,520	26,847	56,622
2032-2036	—	—	59,992	27,860	43,486	49,844
2037-2041	—	—	55,620	14,212	53,006	40,844
2042-2046	—	—	12,400	6,232	63,947	29,872
2047-2051	—	—	10,030	1,458	77,153	16,666
2052-2056	—	—	—	—	44,361	2,549
Total	**$ 3,000**	**$ 30**	**227,972**	**$ 128,282**	**316,176**	**$ 231,971**
	***Less Unaccreted Interest**		(11,888)		(16,857)	
			$ 216,084		**$ 299,319**	

NOTE 10 - LONG-TERM LIABILITIES (continued)

Component Units

	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	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 88,073	$ 127,322	$ 1,010	$ 8,735	$ 13,980	$ 10,102	$ —	$ 13,640
2023	91,806	124,756	7,970	8,684	12,505	9,513	—	19,106
2024	98,274	119,524	8,900	8,315	13,130	8,945	—	19,106
2025	104,985	113,896	9,980	7,898	13,995	8,334	—	19,106
2026	109,425	107,878	11,035	7,429	14,190	7,674	—	19,106
2027-2031	611,675	441,605	55,735	29,321	70,055	27,848	41,070	93,045
2032-2036	599,790	272,585	55,355	17,021	20,005	14,866	55,350	84,151
2037-2041	467,330	115,920	48,205	4,113	12,560	12,489	70,060	70,186
2042-2046	162,510	37,824	—	—	17,490	9,467	87,315	52,939
2047-2051	109,010	12,861	—	—	45,735	3,298	108,520	31,724
2052-2056	11,010	539	—	—	—	—	77,280	6,871
Total	**$ 2,453,888**	**$ 1,474,710**	**$ 198,190**	**$ 91,516**	**$ 233,645**	**$ 112,536**	**$ 439,595**	**$ 428,980**

	Other Component Units		Higher Education Foundations		Georgia Tech Foundation		Geo. L. Smith, II Georgia World Congress Center Authority	
	Revenue Bonds		Notes and Loans Payable		Notes and Loans Payable		Notes and Loans Payable	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 1,100	$ 239	$ 30,863	$ 3,882	$ 17,586	$ 3,445	$ 477	$ 2,007
2023	606	208	6,472	3,119	1,457	3,387	549	1,985
2024	639	175	19,770	3,000	43,305	2,609	626	1,959
2025	673	141	10,901	2,819	598	1,163	707	1,930
2026	710	105	5,972	2,624	627	1,134	792	1,898
2027-2031	1,536	92	27,149	10,194	23,532	2,351	5,424	8,852
2032-2036	—	—	26,813	5,511	—	—	8,419	7,344
2037-2041	—	—	17,804	1,595	—	—	12,330	5,073
2042-2046	—	—	2,165	65	—	—	15,392	1,809
Total	**$ 5,264**	**$ 960**	**$ 147,909**	**$ 32,809**	**$ 87,105**	**$ 14,089**	**$ 44,716**	**$ 32,857**

	Other Component Units		Georgia Housing and Finance Authority	
	Notes and Loans Payable		Mortgage Bonds	
Year	Principal	Interest	Principal	Interest
2022	$ 1,438	$ 87	$ 42,330	$ 48,778
2023	1,504	70	44,345	47,690
2024	1,531	52	43,370	46,576
2025	1,561	33	43,670	45,490
2026	1,589	13	43,770	44,312
2027-2031	460	1	245,985	202,455
2032-2036	—	—	287,615	159,956
2037-2041	—	—	309,295	110,111
2042-2046	—	—	274,320	57,850
2047-2051	—	—	194,580	12,884
Total	**$ 8,083**	**$ 256**	**$ 1,529,280**	**$ 776,102**

NOTE 11 - LEASES

A. Operating Leases

The State leases land, office facilities, office and computer equipment, and other assets. Some of these leases are considered for accounting purposes to be operating leases. 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, may not meet the qualification as an operating lease.

Total lease payments for the State's governmental activities, business-type activities, and component units were $18.9 million, $74.8 million, and $45.9 million, respectively, for the year ended June 30, 2021. Future minimum commitments for operating leases as of June 30, 2021, are listed below (amounts in thousands):

	Primary Government		
Fiscal Year Ended June 30	**Governmental Activities**	**Business-type Activities**	**Component Units**
2022	$ 16,641	$ 61,633	$ 36,560
2023	13,534	46,995	31,643
2024	10,207	39,872	28,076
2025	8,972	34,961	20,828
2026	7,142	33,054	20,230
2027-2031	26,230	141,726	81,167
2032-2036	10,911	46,097	42,015
2037-2041	3,102	5,523	20,226
2042-2046	—	824	701
2047-2051	—	695	47
Total Future Minimum Commitments	**$ 96,739**	**$ 411,380**	**$ 281,493**

NOTE 11 - LEASES (continued)

B. Capital Leases

The State acquires certain property and equipment through multi-year capital leases with varying terms and options. In accordance with OCGA § 50-5-64, the majority of 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 State. The agreements shall terminate immediately at such time as appropriated and otherwise unobligated funds are no longer available to satisfy the obligations of the State.

The expense resulting from the amortization of assets recorded under capital leases is included in depreciation expense. At June 30, 2021, the historical cost of assets acquired through capital leases was as follows (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-type Activities	Component Units
Land	$ —	$ 43,650	$ —
Infrastructure	—	39,926	—
Buildings	408,443	3,448,715	67,104
Improvements Other Than Buildings	—	6,458	—
Machinery and Equipment	33,446	17,791	564
Software	3,164	—	—
Less: Accumulated Depreciation	(212,004)	(1,273,307)	(21,800)
Total Assets Held Under Capital Lease	**$ 233,049**	**$ 2,283,233**	**$ 45,868**

NOTE 11 - LEASES (continued)

At June 30, 2021, future commitments under capital leases were as follows (amounts in thousands):

	Primary Government		
Fiscal Year Ended June 30	**Governmental Activities**	**Business-type Activities**	**Component Units**
2022	$ 75,495	$ 271,214	$ 13,662
2023	70,813	259,065	13,141
2024	67,462	256,548	12,149
2025	63,208	257,296	12,298
2026	57,193	267,663	9,340
2027-2031	256,274	1,248,967	37,631
2032-2036	142,134	974,773	16,543
2037-2041	59,677	575,886	—
2042-2046	6,424	100,853	—
2047-2051	30	39,401	—
2052-2056	30	1,372	—
2057-2061	18	—	—
Total Capital Lease Payments	798,758	4,253,038	114,764
Less: Interest	(472,767)	(1,191,397)	(26,066)
Executory Costs	(4,118)	(385,018)	(2)
Present Value of Capital Lease Payments	**$ 321,873**	**$ 2,676,623**	**$ 88,696**

The future commitments for capital leases of the business-type activities include leases payable to higher education foundations (component units) for various facilities located on the campuses of the University System of Georgia.

NOTE 11 - LEASES (continued)

C. Leases Receivable

The State leases certain facilities and land for use by others for terms varying from 1 to 60 years. The leases are accounted for as operating leases; revenues for services provided and for use of facilities are recorded when earned.

Total revenues from rental of land and facilities for the State's governmental activities and component units were $7.6 million, and $77.8 million, respectively, for the year ended June 30, 2021. Minimum future revenues and rentals to be received under operating leases as of June 30, 2021, are as follows (amounts in thousands):

	Primary Government		
Fiscal Year Ended June 30	**Governmental Activities**	**Business-type Activities**	**Component Units**
2022	$ 20,855	$ —	$ 63,380
2023	21,169	—	35,920
2024	21,842	—	34,594
2025	19,602	—	32,322
2026	17,209	—	44,720
2027-2031	83,419	—	130,401
2032-2036	89,009	—	84,526
2037-2041	100,053	—	68,936
2042-2046	111,821	—	58,914
2047-2051	125,040	—	50,225
2052-2056	141,037	—	45,804
2057-2061	159,230	—	289,713
2061-2065	179,789	—	19,022
2066-2070	139,677	—	19,593
2071-2075	4	—	20,181
2076-2080	4	—	—
Total Minimum Revenues	**$ 1,229,760**	**$ —**	**$ 998,251**

NOTE 11 - LEASES (continued)

Component Units

Foundations related to Higher Education have lease operations consisting of real estate leases to the Board of Regents. Minimum future payments to be received from these capital leases as of June 30, 2021, are as follows amounts in thousands):

Fiscal Year Ended June 30	Amount	
2022	$	201,174
2023		196,562
2024		196,912
2025		197,661
2026		197,206
Thereafter		2,335,593
Total Minimum Revenues		3,325,108
Less: Unearned Income		(1,049,721)
Net Revenue	**$**	**2,275,387**

D. Related Parties

Primary Government

University System of Georgia Foundations

During fiscal year 2021, 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 capital leases payable to these foundations that are not included as component units in the amount of $252.1 million as of June 30, 2021.

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. Current year net appreciation for the endowment accounts was $49.8 million and is reflected as restricted net position.

Changes in the endowment net position for the year ended June 30, 2021, are as follows (amounts in thousands):

Component Units	Without Donor Restriction	With Donor Restriction	Total
Endowment net position, July 1	$ 294,772	$ 2,869,974	$ 3,164,746
Contributions	6,509	136,200	142,709
Net realized and unrealized gains	109,915	1,023,632	1,133,547
Appropriation of endowment assets for expenditure	(7,701)	(120,897)	(128,598)
Transfers to comply with donor intent	9,198	11,409	20,607
Other	(2,057)	5,906	3,849
Endowment net position, June 30	**$ 410,636**	**$ 3,926,224**	**$ 4,336,860**

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, 2021, leaving a remaining Deferred Inflow of Resources balance of $271.7 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, 2021, 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 $157.6 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 $0.5 million 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, 2021, the University System Office amortized $7.2 million and recognized $2.6 million in associated interest income, leaving a Deferred Inflow balance of $27.4 million as of June 30, 2021.

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, 2021, 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 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, 2021, the KSU reports the three housing residences and one retail space as capital assets with a net carrying value of $54.0 million. For fiscal year 2021, the KSU reported a remaining deferred inflows of resources of $54.0 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, 2021, 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	$ —	$ —	$ —	$ 6,581
Deferred Amount on Refundings of Bonded Debt	21,774	56,451	78,225	39,994
Deferred Outflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	63	270,857	270,920	693
Change of assumptions	16,531	491,898	508,429	29,838
Net difference between projected and actual earnings on pension plan investments	93,918	12,400	106,318	2,343
Change in proportion	105,567	11,549	117,116	13,600
State contribution subsequent to the measurement date	121,903	134,211	256,114	5,017
Deferred Outflows Relating to Pensions:				
Difference between expected and actual experience	71,707	177,011	248,718	11,045
Change of assumptions	47,933	411,720	459,653	22,788
Net difference between projected and actual earnings on pension plan investments	103,252	99,777	203,029	8,267
Change in proportion	58,576	76,116	134,692	7,540
State contribution subsequent to the measurement date	615,550	432,731	1,048,281	38,527
Total Deferred Outflows of Resources	**$ 1,256,774**	**$ 2,174,721**	**$ 3,431,495**	**$ 186,233**
Deferred Inflows of Resources				
Deferred Amount on Refundings of Bonded Debt	$ 427	$ 80,176	$ 80,603	$ —
Deferred Service Concession Arrangement Receipts	—	510,697	510,697	—
Deferred Inflows Relating to Other Postemployment Benefits:				
Difference between expected and actual experience	347,492	68,312	415,804	21,739
Change of assumptions	561,868	456,377	1,018,245	13,222
Net difference between projected and actual earnings on pension plan investments	14	1,677	1,691	1,927
Change in proportion	94,461	12,465	106,926	4,060
Deferred Inflows Relating to Pensions:				
Difference between expected and actual experience	41,916	—	41,916	536
Change of assumptions	18,920	—	18,920	535
Net difference between projected and actual earnings on pension plan investments	6,517	15,656	22,173	—
Change in proportion	85,844	88,628	174,472	4,630
Unavailable Revenue	40,030	12,280	52,310	7,880
Total Deferred Inflows of Resources	**$ 1,197,489**	**$ 1,246,268**	**$ 2,443,757**	**$ 54,529**

NOTE 14 - DEFERRED INFLOWS AND OUTFLOWS (continued)

Of the $1.3 billion of deferred outflows of resources reported in the governmental activities, $338.0 million represent deferred outflows related to other postemployment benefits, of which $5.0 million are reported in the internal service funds and $897.0 million represent deferred outflows relating to pensions, of which $11.1 million are reported in the internal service funds. The remaining $21.8 million represent deferred amounts on refundings of bonded debt.

Of the $1.2 billion of deferred inflows of resources reported in the governmental activities, $1,003.8 billion represent deferred inflows related to other postemployment benefits, of which $14.1 million are reported in the internal service funds and $153.2 million represent deferred inflows relating to pensions, of which $290.0 thousand 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 $28.8 million in unavailable revenues to fund future eligible mitigation actions. The remaining $0.4 million represent deferred amounts on refundings of bonded debt.

Deferred outflows reported in business-type activities include $2.2 billion which represent $920.9 million relating to other postemployment benefits, $1.2 billion which represent deferred outflows relating to pensions and $56.5 million, which represent deferred amounts on refundings of bonded debt.

Of the $1.2 billion of deferred inflows of resources reported in the business-type activities, $538.8 million represent deferred inflows relating to other postemployment benefits, $104.3 million represent deferred inflows relating to pensions, $510.7 million represent deferred service concession arrangement receipts described in *Note 13 - Service Concession Arrangements*, $80.2 million represent deferred amounts on refundings of bonded debt and $12.3 million in unavailable revenue represent grant funds received before the period when those resources are permitted to be used.

Of the $186.2 million of deferred outflows of resources reported in the component units, $51.5 million represent deferred outflows relating to other postemployment benefits, $88.2 million represent deferred outflows relating to pensions and $40.0 million represent deferred amounts on refundings of bonded debt. The remaining $6.6 million represent accumulated decrease in fair value of hedging derivatives.

Of the $54.5 million of deferred inflows of resources reported in the component units, $40.9 million represent deferred inflows relating to other postemployment benefits, $5.7 million represent deferred inflows relating to pensions, and $7.9 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 $1.1 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.

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 Nonemployer Contributing Entity in a Special Funding Situation (SFS).

The State's significant retirement plans are:

- Teachers Retirement System (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 of Georgia (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 (www.mrf.georgia.gov)
- Judges of the Probate Courts Retirement Fund (www.jpc.georgia.gov)
- Superior Court Clerks' Retirement Fund (www.scc.georgia.gov)
- Sheriffs' Retirement Fund (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, 2021, 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	19.40 %
Teacher's Retirement System	25.08 %

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, 2021:

	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 2021 were based on the June 30, 2018 actuarial valuation as follows:

Plan Segment	Contribution Rate 2021
Old Plan*	24.66 %
New Plan	24.66 %
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 2021 were 6% of covered payroll. Employer and Nonemployer contributions required for fiscal year 2021 were 19.06% of annual salary as required by the June 30, 2018, actuarial valuation.

D. Defined Benefit Plans Membership and Participating Employers

The following table summarizes the participating membership and participating employers at June 30, 2021:

Participating Membership by Plan
June 30, 2021

Plan Membership	ERS	TRS
Inactive plan members or beneficiaries currently receiving benefits	54,059	139,813
Inactive plan members entitled to but not yet receiving benefits	66,774	14,366
Inactive plan members not entitled to benefits	—	107,650
Active plan members	53,330	227,953
Total	**174,163**	**489,782**
Number of Employers	406	321

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, 2021, by Plan (amounts in thousands):

Components of the Net Pension Liability	ERS	TRS
Total Pension Liability	$ 18,886,809	$ 110,991,021
Plan Fiduciary Net Position	16,547,905	102,146,688
Employers' and non-employer contributing entity's net pension liability	$ 2,338,904	$ 8,844,333
Plan fiduciary net position as a percentage of the total pension liability	87.62 %	92.03 %

F. Defined Benefit Plans Actuarial Methods and Assumptions

Actuarial Valuation Date

The total pension liability at June 30, 2021 is based upon the June 30, 2020 actuarial valuation for ERS and TRS using generally accepted actuarial procedures/techniques.

Actuarial Assumptions

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 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).	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.

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.

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 %	(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 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, 2021. 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	$ 4,285,987	$ 2,338,904	$ 692,212
	(6.25%)	(7.25%)	(8.25%)
TRS's Net Pension Liability	$ 23,824,290	$ 8,844,333	$ (3,430,708)

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 Nonemployer Contributing Entity in a Special Funding Situation.

The following schedule is presented from the perspective of the State as the Employer and/or nonemployer contributing entity and details the proportionate share of the pension amounts for each plan as of June 30, 2021 is as follows (amounts in thousands):

Aggregate Pension Amounts - All Plans

	Primary Government	Component Units
Pension liabilities	$ 8,456,148	$ 258,182
Pension assets	$ 90,146	$ —
Deferred outflows of resources related to pensions	$ 2,094,373	$ 88,167
Deferred inflows of resources related to pensions	$ 257,481	$ 5,701
Pension expense/expenditures	$ 1,460,343	$ 59,405

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, 2020. The total pension liability/asset used to calculate the NPL for each plan was based on an actuarial valuation as of June 30, 2019 for ERS and TRS.

Employees' Retirement System

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

Primary Government: At June 30, 2021, the State reported a liability of $3.7 billion, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total pension liability to June 30, 2020. The State's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2020. At June 30, 2020, the State's proportion for the ERS plan as Employer was 88.814112% which was a decrease of 0.091888% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized pension expense of $632.7 million.

At June 30, 2021, the State reported a liability of $65.8 million, for its proportionate share of the net pension liability, based on contributions to ERS during the fiscal year ended June 30, 2020, for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. At June 30, 2020, the State's proportion was 1.560184% for certain Local County Tax Commissioners and the CSC and PAC employees in certain counties. For the year ended June 30, 2021, the State recognized expense of $6.8 million.

Component Units: At June 30, 2021, the State reported a liability of $62.8 million, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total pension liability to June 30, 2020. The State's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2020. At June 30, 2020, the State's proportion for the ERS plan as Employer was 1.490203%, which was an increase of 0.016737% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized pension expense of $10.9 million.

NOTE 15 - RETIREMENT SYSTEMS (continued)

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

At June 30, 2021, 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	$ 45,600	$ —	$ 801	$ —	$ 765	$ —
Changes of assumptions	—	—	—	—	—	—
Net difference between projected and actual earnings on pension plan investments	52,877	—	929	—	887	—
Changes in proportion and differences between State contributions and proportionate share of contributions	57,218	59,826	785	3,130	1,426	346
State contributions subsequent to the measurement date	524,789	—	8,931	—	8,004	—
Total	**$ 680,484**	**$ 59,826**	**$ 11,446**	**$ 3,130**	**$ 11,082**	**$ 346**

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of $524.8 million and $8.9 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2022.

Component Units: State contributions as employer subsequent to the measurement date of $8.0 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2022.

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**
2022	$ (39,342)	$ (2,410)	$ 438
2023	27,599	(96)	489
2024	61,367	1,078	1,030
2025	46,245	813	775
2026	—	—	—
Thereafter	—	—	—

<u>**Teachers Retirement System of Georgia**</u>

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

Primary Government: At June 30, 2021, the State reported a liability of $4.1 billion, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total pension liability to June 30, 2020. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2020. At June 30, 2020, the State's proportion for the TRS plan as Employer was 16.800653%, which was a decrease of 0.244613% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized pension expense of $687.6 million.

At June 30, 2021, the State reported a liability of $50.9 million, for its proportionate share of the net pension liability, based on contributions to TRS during the fiscal year ended June 30, 2020. At June 30, 2020, the State's proportion was 0.210185% for certain full-time public school support personnel. For the year ended June 30, 2021, the State recognized expense of $(1.6) million.

Component Units: At June 30, 2021, the State reported a liability of $139.9 million, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total pension liability to June 30, 2020. The State's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2020. At June 30, 2020, the State's proportion for the TRS plan as Employer was 0.577537%, which was an increase of 0.015261% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized pension expense of $23.9 million.

NOTE 15 - RETIREMENT SYSTEMS (continued)

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

At June 30, 2021, 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	$ 177,233	$ —	$ 2,217	$ —	$ 6,093	$ —
Changes of assumptions	419,175	—	5,244	—	14,410	—
Net difference between projected and actual earnings on pension plan investments	98,018	—	1,226	—	3,370	—
Changes in proportion and differences between State contributions and proportionate share of contributions	71,647	89,090	3,471	20,853	6,115	4,285
State contributions subsequent to the measurement date	403,678	—	5,123	—	14,031	—
Total	**$ 1,169,751**	**$ 89,090**	**$ 17,281**	**$ 20,853**	**$ 44,019**	**$ 4,285**

Primary Government: State contributions as employer and nonemployer subsequent to the measurement date of $403.7 million and $5.1 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2022.

Component Units: State contributions as employer subsequent to the measurement date of $14.0 million are reported as deferred outflows of resources and will be recognized as a reduction of the NPL in the year ended June 30, 2022.

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**
2022	$ 145,522	$ (8,409)	$ 5,142
2023	222,432	(3,363)	8,254
2024	222,295	1,965	8,624
2025	86,734	1,112	3,683
2026	—	—	—
Thereafter	—	—	—

H. Actuarial Methods and Assumptions (GASB 68)

The total pension liability, as of June 30, 2020, 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	6/30/2019	2.75%	3.25% - 7.00%*	7.30%	N/A	Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward two years for both males and females) for service retirements and dependents beneficiaries. The RP-2000 Disabled Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set back seven years for males and set forward three years for females) was used for death after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future mortality improvement in the tables used by the plan.	7/1/2009-6/30/2014
TRS	6/30/2019	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:

Asset Class	Target Allocation			
	ERS		TRS	
	Target allocation	Long-term expected real rate of return*	Target allocation	Long-term expected real rate of return*
Fixed Income	30.0 %	(0.1%)	30.0 %	(0.1%)
Domestic large equities	46.2 %	8.9 %	51.0 %	8.9 %
Domestic small equities	1.3 %	13.2 %	1.5 %	13.2 %
International developed market equities	12.4 %	8.9 %	12.4 %	8.9 %
International emerging market equities	5.1 %	10.9 %	5.1 %	10.9 %
Alternatives	5.0 %	12.0 %	—	—
Total	100.0 %		100.0 %	

* Rates shown are net of the 2.75% assumed rate of inflation for ERS and assumed rate of 2.50% rate of inflation for TRS.

Discount Rate

The discount rate used for ERS to measure the total pension liability, as of June 30, 2020, was 7.30%. 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 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)

The following schedule is presented from the perspective of the State as the employer and nonemployer contributing entity and details the State's proportionate share of the NPL, as of June 30, 2020. 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 to Changes in the Discount Rate

	Primary Government			Component Units		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(6.30%)	(7.30%)	(8.30%)	(6.30%)	(7.30%)	(8.30%)
ERS's Net Pension Liability	$ 5,266,414	$ 3,743,477	$ 2,443,828	$ 88,365	$ 62,811	$ 41,005
SFS	92,514	65,761	42,930	—	—	—
Total ERS Net Pension Liability	$ 5,358,928	$ 3,809,238	$ 2,486,758	$ 88,365	$ 62,811	$ 41,005
	(6.25%)	(7.25%)	(8.25%)	(6.25%)	(7.25%)	(8.25%)
TRS's Net Pension Liability	$ 6,453,693	$ 4,069,621	$ 2,115,647	$ 221,851	$ 139,902	$ 72,727
SFS	80,739	50,915	26,468	—	—	—
Total TRS's Net Pension Liability	$ 6,534,432	$ 4,120,536	$ 2,142,115	$ 221,851	$ 139,902	$ 72,727

I. Defined Contribution Plans

<u>GSEPS 401(k) Component of ERS Plan</u>

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 71,722 plan members and 459 participating employers in the plan at June 30, 2021. For the fiscal year ended June 30, 2021, the State's employer and employee GSEPS contributions were $35.2 million and $71.9 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, 2021, the employer contribution was 9.24% of the participating employee's earned compensation, and employees contributed 6% 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, 2021, employer and employee contributions were $137.8 million and $89.5 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 market 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, 2021, 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	16.23 %
School OPEB Fund	15.91 %
SEAD-OPEB Plan	19.40%

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. During fiscal year 2018, the State and School OPEB funds updated their investment strategy to a more long-term approach.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

The following table summarizes the adopted asset allocation policy by plan at June 30, 2021:

	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

State OPEB Fund and School OPEB Fund

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 2021 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 2021 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 2021 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, 2021, 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 2020 - June 2021	29.454%	for August 2020 - July 2021 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 2020 - June 2021	$945.00	for August 2020 - July 2021 coverage

Library employees:

July 2020 - June 2021	$843.00	for August 2020 - July 2021 coverage

Non-certificated school personnel:

July 2020 - June 2021	$945.00	for August 2020 - July 2021 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, 2021. Contributions were based on actuarial valuations, and for fiscal year 2021 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, 2021:

Participating Membership by Plan
June 30, 2021

Plan Membership	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Inactive plan members or beneficiaries currently receiving benefits	38,470	86,993	44,377
Inactive plan members entitled to but not yet receiving benefits	—	—	1,034
Active plan members	49,544	181,301	18,772
Total	**88,014**	**268,294**	**64,183**
Open to New Members (Yes/No)	Yes	Yes	No
Number of Employers	193	253	412

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, 2021, by Plan (amounts in thousands):

Components of the Net OPEB Liability/ (Asset)	State OPEB Fund	School OPEB Fund	SEAD-OPEB Plan
Total OPEB Liability	$ 2,213,298	$ 11,539,870	$ 950,995
Plan Fiduciary Net Position	1,938,443	709,042	1,566,821
Net OPEB liability/(asset)	$ 274,855	$ 10,830,828	$ (615,826)
Plan fiduciary net position as a percentage of the total OPEB liability	87.58 %	6.14 %	164.76 %

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, 2021, is based upon the June 30, 2020 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, 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 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	6/30/2020	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 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.	For Teachers Retirement System (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 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, rate 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 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. 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 %	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, as of June 30, 2021, for the State OPEB fund, a discount rate of 7.00% was used, as compared with last year's single equivalent interest rate of 7.06%. 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 2145.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest rate of 2.20% was used as the discount rate, as compared with last year's rate of 2.22%. 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 (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 headcount. 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 to last year's rate of 7.30%. 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, 2021. 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	$ 483,685	$ 274,855	$ 94,385
	(1.20%)	(2.20%)	(3.20%)
School's Net OPEB Liability	$ 12,382,065	$ 10,830,828	$ 9,532,295
	(6.00%)	(7.00%)	(8.00%)
SEAD-OPEB Plan's Net OPEB (Asset)	$ (484,342)	$ (615,826)	$ (723,187)

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, 2021. 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	$ 64,163	$ 274,855	$ 521,912
School's Net OPEB Liability	$ 9,190,377	$ 10,830,828	$ 12,881,519
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, 2021 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	Primary Government	Component Units
OPEB liabilities	$ 1,036,929	$ 102,555
OPEB assets	$ 254,679	$ 3,377
Deferred outflows of resources related to OPEBs	$ 381,012	$ 33,519
Deferred inflows of resources related to OPEBs	$ 1,139,284	$ 26,017
OPEB expense/expenditures	$ (457,304)	$ 4,916

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

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, 2020. The total OPEB liability/asset used to calculate the NOL/NOA for each plan was based on an actuarial valuation as of June 30, 2019 for State, School, and SEAD.

State OPEB Fund

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

Primary Government: At June 30, 2021, the State reported a liability of $1.0 billion for it's proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2020. 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, 2020, the State's proportion for the State plan as employer was 92.138890%, which was a decrease of 0.291055% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized OPEB expense of $ (437.2)million.

Component Units: At June 30, 2021, the State reported a liability of $2.0 million, for it's proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2020. 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, 2020, the State's proportion for the State plan as Employer was 0.196236%, which was a decrease of 0.000854% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized OPEB expense of $(1.2) million.

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

At June 30, 2021, 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	$ —	$ 392,068	$ —	$ 763
Changes of assumptions	18,778	637,892	37	1,241
Net difference between projected and actual earnings on OPEB plan investments	101,805	—	198	—
Changes in proportion and differences between State contributions and proportionate share of contributions	113,435	103,507	31	449
State contributions subsequent to the measurement date	138,733	—	264	—
Total	**$ 372,751**	**$ 1,133,467**	**$ 530**	**$ 2,453**

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

Primary Government: State contributions as employer subsequent to the measurement date of $138.7 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2022.

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, 2022. 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**
2022	$ (499,632)	$ (1,281)
2023	(312,126)	(801)
2024	(89,106)	(231)
2025	1,415	126
2026	—	—
Thereafter	—	—

School OPEB Fund

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

Component Units: At June 30, 2021, the State reported a liability of $100.5 million, for it's proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2020. 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, 2020, the State’s proportion for the School plan as Employer was 0.684502% which was an increase of 0.034350% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized OPEB expense of $6.4 million.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

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

At June 30, 2021, 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	$ —	$ 10,976
Changes of assumptions	16,627	8,946
Net difference between projected and actual earnings on OPEB plan investments	262	—
Changes in proportion and differences between State contributions and proportionate share of contributions	13,546	3,510
State contributions subsequent to the measurement date	2,470	—
Total	**$ 32,905**	**$ 23,432**

Component Units: State contributions as employer subsequent to the measurement date of $2.5 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2022.

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**
2022	$ 396
2023	389
2024	778
2025	1,896
2026	2,696
Thereafter	848

State Employees' Assurance Department (SEAD-OPEB Plan)

State's Proportionate Share of Net OPEB Asset and OPEB Expense

Primary Government: At June 30, 2021, the State reported an asset of $254.7 million, for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2020. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2020. 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, 2020, the State's proportion for

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

the SEAD plan as Employer was 89.669956%, which was a decrease of 0.160219% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized OPEB expense of $(20.1) million.

Component Units: At June 30, 2021, the State reported an asset of $3.4 million, for it's proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2020. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2019, with standard roll-forward techniques performed to update the total OPEB asset to June 30, 2020. 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, 2020, the State's proportion for the SEAD plan as Employer was 1.200696%, which was an increase of 0.045136% from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized OPEB expense of $(0.3) million.

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

At June 30, 2021, 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	$ 66	$ 2,367	$ 1	$ 31
Changes of assumptions	—	—	—	—
Net difference between projected and actual earnings on OPEB plan investments	4,514	31	60	—
Changes in proportion and differences between State contributions and proportionate share of contributions	3,681	3,419	23	101
State contributions subsequent to the measurement date	—	—	—	—
Total	$ 8,261	$ 5,817	$ 84	$ 132

There were no State contributions as employer subsequent to the measurement date.

NOTE 16 - POSTEMPLOYMENT BENEFITS - MULTI-EMPLOYER PLANS (continued)

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**
2022	$ (8,519)	$ (182)
2023	1,473	5
2024	5,315	71
2025	4,175	58
2026	—	—
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	6/30/2019	6/30/2019	6/30/2019
Inflation	2.50%	2.50%	2.75%
Salary increases	3.25% - 7.00%*	3.00% - 8.75%*	3.25% - 7.00%*
Long-term expected rate of return [1]	7.30%	7.30%	7.30%
Initial Healthcare Cost Trend			
Pre-Medicare Eligible	7.00%	7.00%	N/A
Medicare Eligible	5.25%	5.25%	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	The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward two years for both males and females) is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set back seven years for males and set forward three years for females) is used for the period after disability retirement. There is a margin for future mortality improvement in the tables used by the plan. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.	For Teachers Retirement System (TRS) members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with the MP-2019 projection scale (set forward one year and adjusted 106%) is used for death after service retirement and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with the MP-2019 Projection scale (set forward one year and adjusted 106%) is used for death prior to retirement. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate. For Public School Employees Retirement System (PSERS) members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward three years for males and two years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward five years for both males and females) is used for the period after disability retirement. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future mortality improvement in the tables used by the plan.	The RP-2000 Combined Mortality Table projected to 2025 with the Society of Actuaries' projection scale BB (set forward two years for both males and females) is used for the period after service retirement and for dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.
Actuarial Experience Study	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014	7/1/2009 - 6/30/2014

[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, 2014, 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, 2019 valuation for the State and School OPEB funds were based on a review of the recent plan experience done concurrently with the June 30, 2019 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, 2014, with the exception of the long-term expected rate of return. The assumed investment rate was decreased as reported in the June 30, 2017 and June 30, 2018 actuarial valuations, based on a funding policy change. The assumed investment rate of return remained at 7.30% for June 30, 2019 actuarial valuations.

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 %	0.5%	30.0 %	0.5%	30.0 %	(0.1%)
Domestic large equities	70.0 %	9.2 %	70.0 %	9.2 %	46.2 %	8.9 %
Domestic small equities	—	—	—	—	1.3 %	13.2 %
International developed market equities	—	—	—	—	12.4 %	8.9 %
International emerging market equities	—	—	—	—	5.1 %	10.9 %
Alternatives	—	—	—	—	5.0 %	12.0 %
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 7.06% was used as the discount rate, as compared with last year's discount rate of 7.30%. 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 2118.

In order to measure the total OPEB liability for the School OPEB, a single equivalent interest of 2.22% was used as the discount rate, as compared with the prior measurement period date rate of 3.58%. 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 (2.21% 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 2118.

The discount rate used to measure the total OPEB liability for the SEAD-OPEB plan was 7.30%, the same as last year's rate. 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
	(6.06%)	(7.06%)	(8.06%)	(6.06%)	(7.06%)	(8.06%)
State's Net OPEB Liability	$ 1,299,699	$ 1,036,929	$ 812,893	$ 2,768	$ 2,018	$ 1,731
	(1.22%)	(2.22%)	(3.22%)	(1.22%)	(2.22%)	(3.22%)
School's Net OPEB Liability	$ —	$ —	$ —	$ 118,115	$ 100,537	$ 86,480
	(6.30%)	(7.30%)	(8.30%)	(6.30%)	(7.30%)	(8.30%)
SEAD Plan's Net OPEB (Asset)	$ (141,271)	$ (254,679)	$ (348,170)	$ (1,892)	$ (3,377)	$ (4,662)

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	$ 779,230	$ 1,036,929	$ 1,342,294	$ 1,660	$ 2,018	$ 2,859
School's Net OPEB Liability	$ —	$ —	$ —	$ 83,707	$ 100,537	$ 122,327
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, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, for the Regents Plan was 12.00%.

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, 2021:

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 2021, 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 2021 plan year, the employer rate was approximately 85% of the total health insurance cost for eligible retirees, and the retiree rate was approximately 15%. 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, 2021, the USG contributed approximately $117.4 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, 2021:

Plan Membership	June 30, 2021	June 30, 2020
Inactive plan members or beneficiaries currently receiving benefits	21,300	20,427
Inactive plan members entitled to but not yet receiving benefits	—	—
Active plan members	46,365	48,739
Total	**67,665**	**69,166**
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, 2021 (amounts in thousands):

Components of the Net OPEB Liability		
Total OPEB Liability	$	5,228,380
Plan Fiduciary Net Position		195,299
Net OPEB liability	$	5,033,081
Plan fiduciary net position as a percentage of the total OPEB liability		3.74 %

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, 2021, is based upon May 1, 2021 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, 2021.

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, applied to all periods included in the measurement and rolled forward to the measurement date:

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 Teachers headcount weighted projected with scale MP-2020.
Actuarial experience study	
Economic and demographic assumptions	7/1/2017 - 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 actuarial assumptions used in the valuation are based on the results of the most recent actuarial experience studies, 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.

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 rate of return*
Fixed Income	70.0 %	0.69 %
Equity Allocation	30.0 %	4.21 %
Total	100.0 %	2.22 %

* Rates shown are net of the 2.10% assumed rate 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 Net OPEB Liability to Changes in the Discount Rate

The following schedule summarizes the NOL, as of June 30, 2021, 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
	1.18%	2.18%	3.18%
Regents OPEB Liability	$ 6,092,171	$ 5,033,081	$ 4,216,366

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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, 2021. 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	$ 4,246,884	$ 5,033,081	$ 6,067,992

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, 2021 is as follows (amounts in thousands):

Aggregate OPEB Amounts - All Plans

	Primary Government	Component Units
OPEB liabilities	$ 5,333,719	$ 60,207
Deferred outflows of resources related to OPEBs	$ 877,887	$ 17,974
Deferred inflows of resources related to OPEBs	$ 403,383	$ 14,932
OPEB expense/expenditures	$ 326,808	$ 4,550

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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, 2020. The total OPEB liability used to calculate the NOL was based on an actuarial valuation as of May 1, 2020.

Regents Plan

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

Primary Government: At June 30, 2021, the State reported a net OPEB liability of $5.3 billion, for the Regents Plan. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2020, with standard roll-forward techniques performed to update the total OPEB liability to June 30, 2020. The net OPEB liability was based on contributions during the fiscal year ended June 30, 2020. For the year ended June 30, 2021, the State recognized OPEB expense of $326.8 million.

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

At June 30, 2021, 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	$ 270,854	$ 21,369
Changes of assumptions	489,652	380,354
Net difference between projected and actual earnings on OPEB plan investments	—	1,660
State contributions subsequent to the measurement date	117,381	—
Total	**$ 877,887**	**$ 403,383**

Primary Government: State contributions as Employer subsequent to the measurement date of $117.4 million are reported as deferred outflows of resources and will be recognized as a reduction of the NOL in the year ended June 30, 2022.

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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**
2022	$ 20,106
2023	21,957
2024	57,549
2025	59,284
2026	64,858
Thereafter	133,369

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	$ 226,810
Interest	167,864
Benefit changes	(81,917)
Differences between expected and actual experience	94,948
Changes of assumptions	564,180
Benefit payments/refunds	(94,211)
Net change in total OPEB liability	877,674
Total OPEB liability-beginning	4,616,023
Total OPEB liability-ending (a)	5,493,697
Plan fiduciary net position:	
Contributions-employer	102,792
Net investment income	7,528
Benefit payments/refunds	(94,211)
Administrative expense	(586)
Net change in plan fiduciary net position	15,523
Plan fiduciary net position-beginning	144,455
Plan fiduciary net position-ending (b)	159,978
Net OPEB liability-ending (a)-(b)	$ 5,333,719

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

H. Actuarial Methods and Assumptions (GASB 75)

The "Further Consolidated Appropriations Act, 2020" signed into law on December 20, 2019 included permanent repeal of the excise tax on high-cost plans originally imposed by the Affordable Care Act in 2010. The impact of the change was included as a change in assumption which decreased the net OPEB liability by about $173.5 million.

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, 2020, is based upon the actuarial valuation for May 1, 2020 for the Regents Plan, using generally accepted actuarial procedures/techniques. Update procedures were used to roll forward the total OPEB liability to June 30, 2020.

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	5/1/2020
Inflation	2.10%
Salary increases	4.00%
Long-term expected rate of return [1]	3.75%
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	6.70%
Medicare Eligible	4.50%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year Ultimate Trend is Reached	
Pre-Medicare Eligible	2031
Medicare Eligible	2020
Mortality	Healthy: Pub-2010 for Teachers (as appropriate) headcount weighted project with scale MP-2019
Actuarial experience study	
Economic and demographic assumptions	7/1/2017 - 6/30/2019
All other assumptions	7/1/2009 - 6/30/2014

[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, 2014.

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%	— %
Equity Allocation	30%	4.51 %
Total	100.0 %	1.61 %

* 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, 2020, a yield or index rate of 2.21% was used as the discount rate, as compared with the prior measurement period date rate of 3.50%. 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 (2.21% 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 2117.

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, 2020. 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
	(1.21%)	(2.21%)	(3.21%)
Regents Net OPEB Liability	$ 6,502,284	$ 5,333,719	$ 4,398,498

NOTE 17 - POSTEMPLOYMENT BENEFITS - SINGLE-EMPLOYER PLANS (continued)

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, 2020. 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	$ 4,422,484	$ 5,333,719	$ 6,489,162

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 6/30/2021	Fiscal Year Ended 6/30/2020
Unpaid Claims and Claim Adjustments July 1	**$ 230,898**	**$ 195,355**
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current fiscal year	3,109,758	2,699,185
Decrease in provision for insured events of the prior fiscal year	(52,400)	(84,444)
Total incurred claims and claim adjustment expenses	3,057,358	2,614,741
Payments:		
Claims and claim adjustment attributable to insured events of the current year	(2,858,424)	(2,472,442)
Claims and claim adjustment attributable to insured events of the prior year	(178,181)	(106,756)
Total Payments	(3,036,605)	(2,579,198)
Total Unpaid Claims and Claim Adjustments June 30	**$ 251,651**	**$ 230,898**

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 6/30/2021	Fiscal Year Ended 6/30/2020
Unpaid Claims and Claim Adjustments July 1	**$ 46,894**	**$ 45,014**
Current Year Claims and Changes in Estimates	416,897	423,784
Claims Payments	(427,462)	(421,904)
Unpaid Claims and Claim Adjustments June 30	**$ 36,329**	**$ 46,894**

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, 2021, of $1.0 billion both for workers' compensation and liability was charged back to the contributing funds. Expenditures of $635.9 million are reported in the General Fund, and expenses of $265.6 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 6/30/2021	Fiscal Year Ended 6/30/2020
Unpaid Claims and Claim Adjustments July 1 (restated)	**$ 1,023,636**	**$ 916,988**
Current Year Claims and Changes in Estimates	166,976	272,097
Claims Payments	(155,956)	(149,298)
Unpaid Claims and Claim Adjustments June 30	**$ 1,034,656**	**$ 1,039,787**

NOTE 19 - TAX ABATEMENT

As of June 30, 2021, 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

David M. Curry, Commissioner, Georgia Department of Revenue v. T-Mobile South, LLC, - Fulton County Superior Court Civil Case 2020-CV-340221, September 8, 2020, on appeal from Ga. Tax Tribunal Docket Nos. 1732418, 1800700 (consolidated). T-Mobile South seeks refunds of sales and use taxes allegedly paid on purchases of certain tangible personal property for tax periods May 30, 2012 through December 31, 2016, which T-Mobile South asserts to be subject to computer equipment related sales and use tax exemptions pursuant to O.C.G.A. § 48-8-3(68). The total of the sales and use tax refunds claimed by T-Mobile South for such periods is approximately $11.5 million. The Department of Revenue ("DOR") ruled that the cell phone towers and the wireless network equipment purchased by T-Mobile South are "voice data transport technology," which is specifically excluded from the exemption, and therefore do not qualify for the sales tax exemption. T-Mobile South appealed these decisions with the Georgia Tax Tribunal. Following a trial on all issues, on August 6, 2020, the Georgia Tax Tribunal ruled in favor of T-Mobile South and found that the equipment qualified as computer equipment under O.C.G.A. § 48-8-3(68) and, therefore, qualified for the sales tax exemption. The Georgia Tax Tribunal reversed DOR's denial of T-Mobile South's refund claims and granted all of T-Mobile South's refund claims for a total amount of $11.4 million. DOR filed a petition for judicial review in Fulton County Superior Court on September 8, 2020. The parties have filed briefs and a hearing was held on May 12, 2021. On May 20, 2021, the Fulton County Superior Court issued a Final Order ruling in favor of DOR and found that the T-Mobile South equipment in the refund claim is voice transport technology and excluded from the sales tax exemption pursuant to O.C.G.A. § 48-8-3(68)(C)(ii)(I). T-Mobile South's application for discretionary appeal of the Superior Court's ruling was granted by the Georgia Court of Appeals. T-Mobile South's initial appellate brief was filed on September 7, 2021 and DOR's response brief was filed on October 12, 2021. Thereafter, T-Mobile South filed a reply brief on November 1, 2021. T-Mobile South's request for oral argument was denied by the Court of Appeals and the parties are now awaiting a ruling. 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.

David M. Curry, Commissioner, Georgia Department of Revenue,- Ga. Tax Tribunal Docket No. 1622264. CSX has 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

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

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 June 2015 is approximately $38.5 million.

The Georgia Tax Tribunal cases have been stayed pending the outcome of pending litigation in Alabama in CSX Trans., Inc. v. Alabama Department of Revenue, Case No. 17-11705-G. The Eleventh Circuit ruled in CSX Transp., Inc. v. Ala. Department 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's petition for certiorari to the U.S. Supreme Court was filed on October 8, 2018. CSX also has filed a conditional petition for certiorari. The U.S. Supreme Court denied the petitions for certiorari 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. 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.

CMS informed DCH that as of October 17, 2016, negative PMS balances accruing between FFY 2005 through FFY 2013 totaling approximately $50 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 has 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 CMS's March 2016 report, it was acknowledged by CMS that it had "not issued guidance instructing States on the appropriate extent and timing of Medicaid withdrawals", and "did not publish formal guidance instructing States on how to handle the funds in annualized PMS accounts." This matter remains pending as unresolved between CMS and DCH.

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

C. Guarantees and Financial Risk

Component Units

Georgia Housing Finance Authority (GHFA) has uninsured single-family mortgage loans of approximately $49.8 million as of June 30, 2021. All of these loans are for home mortgages in the State of Georgia. Current economic 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, 2021, the fund balances of the primary government include encumbrances of $9.4 billion (amounts in thousands):

		Encumbrances
Function		
Conservation	$	2,616
Culture and Recreation		57,739
Economic Development and Assistance		105,311
Education		4,166,394
General Government		236,008
Health and Welfare		1,080,379
Public Safety		230,745
Transportation		3,480,304
Total Investments	**$**	**9,359,496**

The University System of Georgia (Higher Education Fund) had significant, unearned, outstanding construction or renovation contracts executed in the amount of $2.2 million as of June 30, 2021. This amount is not reflected in the financial statements.

As of June 30, 2021, Employees' Retirement System of Georgia committed to fund certain private equity partnerships for a total capital commitment of $683.3 million. Of this amount, $255.4 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*.

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

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 $300.5 million, and a remaining balance of $98.8 million as of June 30, 2021.

On December 1, 2017, GTA entered into an $90.0 million services contract with ATOS. This is a four year contract with five optional years, and has a remaining balance of $38.4 million as of June 30, 2021.

On June 1, 2018, GTA entered into an $84.1 million services contract with Xerox. This is a three year contract with three optional years, and has a remaining balance of $66.2 million as of June 30, 2021.

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 $142.3 million June 30, 2021.

State Road and Tollway Authority (SRTA) has contractual commitments on uncompleted contracts of $298.2 million, the majority of which are for the I-16 at I-95 Interchange and I-16 Widening from I-95 to I-516 Reconstruction Project and the I-285 at SR 400 Interchange Reconstruction Project. In addition, $14.2 million of loans were awarded to local governments and community improvements districts.

<u>Component Units</u>

Contractual Commitments

As of June 30, 2021, Georgia Environmental Finance Authority (GEFA) had commitments to fund projects, excluding the undisbursed portion of loans in process, totaling $105.5 million.

As of June 30, 2021, Georgia Ports Authority (GPA) had commitments for construction projects of approximately $309 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 $16.1 million through the year ended June 30, 2021, 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.

NOTE 20 - LITIGATION, CONTINGENCIES, AND COMMITMENTS (continued)

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 - SEGMENT INFORMATION

Segments are identifiable activities reported within or as part of an enterprise fund by which some form of revenue-supported debt is outstanding. Furthermore, to qualify as a segment, an activity must meet an external requirement to separately account for a specific revenue stream and the associated expenses, gains, and losses. The State maintains two enterprise funds that qualify as a segment. Financial information for each segment is included within the nonmajor enterprise funds. The following paragraphs describe the State's segments.

State Road and Tollway Authority - I-75 Northwest Corridor Express Lane Project, received loan funds from the Transportation Infrastructure Finance and Innovation Act (TIFIA). The TIFIA loan funds used to build various express lanes.

State Road and Tollway Authority - I-75 South Metro Express Lane Fund, issued revenue bonds to pay the costs of certain tolling infrastructure, finance a debt service reserve, and pay the costs of issuance of the bonds.

(Table on next page)

NOTE 21 - SEGMENT INFORMATION (continued)

Summary financial information for the State's segments for the year ended June 30, 2021 is presented below (amounts in thousands):

	I-75 Northwest Corridor Express Lanes Project	I-75 South Metro Express Lanes Fund
Condensed Statement of Net Position		
Assets		
Current Assets	$ 37,811	$ 23,023
Noncurrent Assets	593	63
Due from Other Funds	—	578
Capital Assets	16,778	2,694
Total Assets	55,182	26,358
Deferred Outflows	647	432
Liabilities		
Current Liabilities	1,360	2,397
Noncurrent Liabilities	300,362	39,427
Due to Other Funds	58,611	546
Total Liabilities	360,333	42,370
Deferred Inflows	815	326
Net Position		
Net Investment in Capital Assets	16,778	2,694
Restricted	—	39,587
Unrestricted	(322,098)	(58,187)
Total Net Position	$ (305,320)	$ (15,906)
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Operating Revenues	$ 13,642	$ 20,277
Depreciation/Amortization Expense	(2,778)	(2,846)
Other Operating Expenses	(3,552)	(3,436)
Operating Income (Loss)	7,312	13,995
Nonoperating Revenues (Expenses)		
Investment Income	20	7
Other Nonoperating Revenues	3,210	—
Interest Expense	(10,693)	(2,649)
Net Transfers	6	—
Change in Net Position	(145)	11,353
Beginning Net Position (restated)	(305,175)	(27,259)
Ending Net Position	$ (305,320)	$ (15,906)
Condensed Statement of Cash Flows		
Net Cash Provided By (Used In):		
Operating Activities	$ 11,532	$ 14,909
Noncapital Financing Activities	786	(9,001)
Capital and Related Financing Activities	(12,017)	(1,305)
Investing Activities	12	7
Net Increase (Decrease)	313	4,610
Beginning Cash and Cash Equivalents (restated)	37,498	16,246
Ending Cash and Cash Equivalents	$ 37,811	$ 20,856

NOTE 22 - SUBSEQUENT EVENTS

A. Primary Government

__Long-term Debt Issues__

General Obligation Bonds Issued

In July 2021, the State sold General Obligation bonds in the total amount of $1.10 billion for delivery on July 1, 2021 to provide over $1.14 billion in total proceeds for various capital outlay projects. The greatest amount of funding will provide $364.1 million for higher education projects, $304.7 million for K-12 education projects, $155.9 million for public safety projects, and $147.6 million for economic development projects.

The true interest cost on the 2021A and 2021B bonds was 1.742% and the average life is 10.875 years.

Defeasance of General Obligation Bonds

Premium proceeds totaling $143.5 million from the issuance of the Series 2021A general obligation bonds were used to defease a total of $141.8 million from four different series of general obligation bonds with interest rates ranging from 4.00% to 5.00%.

Revenue Bonds

On July 1, 2020, the State Road and Tollway Authority (SRTA) issued $367.4 million in aggregate principal amount of its Managed Lane System State of Georgia Guaranteed Revenue Bonds, Series 2021A and Series 2021B, for the purpose of providing funds to (i) finance or refinance all or a portion of the costs of land public transportation facilities or systems consisting of the construction of and improvement to toll facilities and adjacent road and bridge structures including related planning, engineering and land acquisition expenses; (ii) repay in full the outstanding amount of a loan from the United States Department of Transportation (“USDOT”) incurred pursuant to that certain TIFIA Loan Agreement for the Northwest Corridor Express Lanes between USDOT and the Authority, dated as of November 14, 2013; (iii) together with other lawfully available funds of the Authority, defease the outstanding State Road and Tollway Authority Toll Revenue Bonds (I-75 South Express Lanes Project), Series 2014 and Series 2014B; (iv) fund capitalized interest on the 2021A Bonds equal to a portion of the interest on the 2021A Bonds coming due through January 15, 2024; and (v) pay the costs of issuance of the Series 2021A and Series 2021B Bonds. The true interest cost of the 2021AB Bonds was 2.5027% and the average life is 21.573 years.

__Other Subsequent Events__

Georgia Technology Authority

Georgia Technology Authority (GTA) has entered into a five year contract with three optional years with AT&T totaling $378.0 million which was effective July 1, 2021.

State Properties Commission

State Properties Commission (SPC) has entered into eight multi-year lease agreements in FY22 totaling $13.0 million.

NOTE 22 - SUBSEQUENT EVENTS (continued)

University System of Georgia

In April 2019, the Board of Regents of the University System of Georgia (BOR) entered into a rental agreement with Georgia Tech Facilities, Inc., a component unit, for the Campus Center at the Georgia Institute of Technology. The Campus Center is a student center complex comprised of a student center, pavilion, exhibition hall, and café. The existing Fred B. Wenn Student Center will undergo related improvements as part of the Campus Center project. This collection of buildings will be a central point of resources, gathering, entertainment and restoration for the Georgia Tech Community. The lease term is for thirty-one years. Total estimated rental payments will be $204.0 million over the lease period. Semi-annual rental payments will include base rent and a repair and replacement contribution. Construction on Phase I was completed in fiscal year 2021. The capital assets and associated capital lease liabilities for Phase I have been recorded on the Institute's books and rental payments commenced for this phase in fiscal year 2021. Construction on Phase II began July 2020 with an estimated completion date of May 2022. Rental payments for Phase II will begin in fiscal year 2023 with total estimated rental payments of $142.0 million over the lease period. The capital assets and associated capital lease liabilities for Phase II will be recorded on the Institute's books once construction is complete and the certificate of occupancy is issued.

B. Component Units

Other Subsequent Events

AU Health Systems, Inc.

On August 12, 2021, the Health System received a credit rating downgrade. Based on the terms of the variable-to-fixed rate swap on the 2021A Bonds, the downgrade is a termination event and the counterparties can terminate the swap resulting in a termination payment of approximately $21.0 million to the counterparties. The Health System is novating the swap with a new counterparty. The current counterparties are working with the new counterparty where collateral will be returned from the original counterparties and posted with the new counterparty. The new counterparty will have the option to terminate the swap if the Health System were to receive a credit rating downgrade to below BB+ or Ba1.

As a result of the credit rating downgrade, the fixed rate payable by the Health System on the swap increased to 3.36%. The variable rate on the 2021A bonds increased to 3.00 basis points above the SIFMA index, adjusting periodically, as a result of the downgrade.

No adjustments to the accompanying financial statements have been made as a result of this downgrade at June 30, 2021. The future interest payments for the Series 2021A bonds will increase due to the downgrade.

Georgia Advanced Technology Ventures, Inc. and Subsidiaries

On July 1, 2021, the Organization entered into a lease for office space at 512 Means Street and subleased the space to Georgia Institute of Technology. The lease includes options to renew on a year-to-year basis for five consecutive one-year periods plus a sixth renewal term of ten months ending April 30, 2027.

Georgia Health Sciences Foundation, Inc.

In May of 2021, the Boards of Trustees of the Georgia Health Sciences Foundation and the Augusta University Foundation, Inc. (an Augusta University affiliate foundation) voted to merge. The merger will combine the assets of both foundations into the Augusta University Foundation, Inc. The impact of the merger will increase the assets of the Augusta University Foundation based on the fair market values on the date of the transfer and is expected to occur during fiscal year 2022.

NOTE 22 - SUBSEQUENT EVENTS (continued)

Georgia Housing and Finance Authority

Georgia Housing and Finance Authority (GHFA) closed the 2021 Series A bond deal on November 9, 2021 for $101.2 million.

Georgia Military College

Georgia Military College (GMC), with Georgia State Financing and Investment Commission (GSFIC) as the bidding manager, contracted with RW Allen for the construction of the Center for Leadership. The contract was signed July 16, 2021 for the bid amount of $11.0 million.

State Road and Tollway Authority

State Road and Tollway Authority (SRTA) closed on a Guaranteed Revenue Bond deal July 1, 2021. As a result of the deal, the TIFIA loan for the Northwest Corridor Project was paid off and the 75 South Toll Revenue Bonds were fully defeased.

University System of Georgia

Georgia Southern University Housing Foundation Seven, LLC (GSUHF7) issued Series 2020 bonds in June, 2020 to be used for the renovation of a student housing facility, Kennedy Hall. The total estimated cost of the project is $16.5 million. Construction in progress as of June 30, 2021 and 2020 totaled $14.4 million and $0.9 million respectively. It is anticipated that the project will be completed for use in the fall of 2021. In conjunction with the project, GSUHF7 has a rental agreement with the Board of Regents for the student housing facility. The lease began upon substantial completion of the renovation and improvement, as of August 1, 2021.

On September, 1, 2020, Kennesaw State University (KSU) entered into an agreement with Kennesaw State University Foundation, Inc. (KSUF) where KSUF would renovate and improve a student housing facility (Howell Hall). This facility will be leased to KSU for a 30-year period through June 30, 2052 with lease payments totaling $20.5 million. At the end of the lease, the ownership of the student housing facility will transfer to KSU. The commencement of the lease will be at the substantial completion of the improvements, which is expected to occur in fiscal year 2022. On September 1, 2020, Kennesaw State University Foundation, Inc. entered into a promissory note agreement to repay $9.6 million Series 2020C bonds issued by the Development Authority of Cobb County. The proceeds of the bonds will be used for the purpose of financing the cost of renovating and improving Howell Hall, a student housing facility located on the Marietta campus of Kennesaw State University, fund capitalized interest for the Series 2020C Bonds and paying all or a portion of the costs of issuing the Series 2020 Bonds.

On December 17, 2020, 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 will be at the substantial completion of the improvements, which is expected to occur in fiscal year 2022. 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 approximately 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.
In June 2021, Kennesaw State University (KSU) amended a lease for an office building with a revised payment schedule. The revised payment schedule called for a payment of $8.7 million in June 2021 and no further payments

NOTE 22 - SUBSEQUENT EVENTS (continued)

throughout the term of the lease. As a result, the lease obligation related to the building was reduced to zero. In fiscal year 2022, ownership of the building is expected to transfer to the University.

In September 2021, Kennesaw State University (KSU) accepted the Academic Learning Center, a $47.3 million capital project managed by the Georgia State Financing & Investment Commission (GSFIC).

The University System of Georgia (USG) on behalf of the University of North Georgia (UNG), committed to the option to purchasing the property currently being used by the Criminal Justice program and for parking and mail services. The purchase price is $0.6 million and the closing will occur in the fall of fiscal year 2021.

Georgia Southern University

On August 1, 2021, Georgia Southern University (GSU) entered into a lease agreement with Georgia Southern University Housing Foundation Seven, LLC (GSUHF7) for the student housing facility, Kennedy Hall. The total rental payments will be $33.0 million over the lease period. Rental payments will begin in fiscal year 2022 and the lease term is for thirty years.

REQUIRED SUPPLEMENTARY INFORMATION

State of Georgia

Required Supplementary Information
Budgetary Comparison Schedule
Budget Fund
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Funds Available					
State Appropriation					
State General Funds	$ 22,141,467	$ 22,689,135	$ 22,689,135	$ 22,689,051	$ 84
Revenue Shortfall Reserve for K-12 Needs	—	—	—	—	—
State Motor Fuel Funds	1,743,839	1,902,958	1,902,958	1,902,958	—
Lottery Proceeds	1,301,319	1,301,319	1,301,319	1,301,319	—
Tobacco Settlement Funds	210,559	160,559	160,559	160,559	—
Brain and Spinal Injury Trust Fund	1,432	1,432	1,432	1,432	—
Nursing Home Provider Fees	157,166	157,267	152,788	152,788	—
Hospital Provider Fee	356,636	353,742	366,289	366,289	—
Safe Harbor for Sexually Exploited Children Fund	—	300	300	300	—
State Funds - Prior Year Carry-Over					
State General Fund Prior Year	—	—	374,709	401,053	(26,344)
Brain and Spinal Injury Trust Fund - Prior Year	—	—	3,016	3,061	(45)
State Motor Fuel Funds - Prior Year	—	—	670,100	2,186,598	(1,516,498)
Federal Funds					
CCDF Mandatory & Matching Funds	97,618	92,549	113,873	113,873	—
Child Care and Development Block Grant	138,020	224,846	205,175	204,890	285
Community Mental Health Services Block Grant	14,164	14,164	18,714	16,390	2,324
Community Services Block Grant	16,282	16,347	22,590	22,178	412
Federal Highway Administration - Highway Planning and Construction	1,514,696	1,514,696	1,766,211	1,545,287	220,924
Foster Care Title IV-E	97,028	98,066	109,567	107,279	2,288
Low-Income Home Energy Assistance	56,164	56,317	81,073	79,910	1,163
Maternal and Child Health Services Block Grant	16,977	16,977	17,696	17,218	478
Medical Assistance Program	8,273,272	8,704,695	10,076,214	9,874,522	201,692
Prevention and Treatment of Substance Abuse Block Grant	47,852	47,852	50,960	47,441	3,519
Preventive Health and Health Services Block Grant	2,207	2,207	4,447	3,856	591
Revenue Shortfall Reserve	—	—	—	—	—
Social Services Block Grant	52,582	52,582	46,731	43,997	2,734
State Children's Insurance Program	418,320	453,490	624,731	462,298	162,433
Temporary Assistance for Needy Families Block Grant	315,250	325,690	303,185	284,651	18,534
TANF Transfer to SSBG	1,802	2,189	1,206	1,206	—
Federal Funds Not Itemized	4,100,462	4,048,074	4,553,309	4,350,156	203,153
Federal Funds-COVID-19					
Child Care & Development Block Grant - COVID-19	—	—	174,150	174,150	—
Community Services Block Grant - COVID-19	—	—	24,669	19,148	5,521
Federal Funds Not Itemized – COVID-19	—	—	14,207,159	7,652,407	6,554,752
Low-Income Home Energy Assistance - COVID-19	—	—	6,936	4,614	2,322
American Recovery and Reinvestment Act of 2009					
Medical Assistance Program	—	—	—	6,854	(6,854)
Federal Recovery Funds Not Specifically Identified	21,219	20,308	38,805	34,821	3,984
Other Funds	11,408,509	11,489,883	16,595,827	16,338,547	257,280
Total Funds Available	52,504,842	53,747,644	76,665,833	70,571,101	6,094,732
Expenditures					
Georgia Senate	10,940	11,774	12,334	9,735	2,599
Georgia House of Representatives	18,356	19,002	20,562	17,580	2,982
Georgia General Assembly Joint Offices	12,631	13,332	19,525	13,686	5,839
Audits and Accounts, Department of	32,764	32,971	32,972	32,947	25
Appeals, Court of	23,506	23,868	24,009	23,996	13
Judicial Council	18,683	18,789	21,715	21,180	535
Juvenile Courts	8,734	8,771	8,884	8,636	248
Prosecuting Attorneys	84,425	86,420	126,421	114,815	11,606
Superior Courts	72,347	73,060	73,000	72,993	7
Supreme Court	16,052	16,183	16,396	16,396	—
Accounting Office, State	28,372	28,623	31,512	31,246	266
Administrative Services, Department of	231,513	231,779	277,794	255,643	22,151
Agriculture, Department of	58,096	62,099	225,227	224,979	248
Banking and Finance, Department of	12,134	12,215	12,231	12,114	117

(continued)

	Original Appropriation	Amended Appropriation	Final Budget	Actual	Variance
Expenditures					
Behavioral Health & Developmental Disabilities, Department of	1,316,836	1,324,733	1,398,915	1,379,814	19,101
Community Affairs, Department of	252,416	272,768	305,432	292,032	13,400
Community Health, Department of	16,629,142	16,661,039	22,193,860	18,061,844	4,132,016
Community Supervision, Department of	166,894	170,391	175,742	175,333	409
Corrections, Department of	1,141,346	1,152,770	1,222,721	1,221,712	1,009
Defense, Department of	77,649	123,359	108,202	74,512	33,690
Driver Services, Department of	65,971	67,964	74,253	72,834	1,419
Early Care and Learning, Department of	826,082	905,552	1,084,165	1,081,077	3,088
Economic Development, Department of	31,701	35,879	40,556	40,053	503
Education, Department of	11,756,670	12,369,581	17,331,204	16,876,580	454,624
Employees' Retirement System of Georgia	61,547	61,909	61,807	59,146	2,661
Forestry Commission, State	52,052	52,973	61,776	61,667	109
Governor, Office of the	89,069	95,419	7,822,131	2,037,533	5,784,598
Human Services, Department of	1,856,435	1,891,373	2,018,828	1,892,576	126,252
Insurance, Department of	19,006	19,369	27,385	25,100	2,285
Investigation, Georgia Bureau of	296,089	289,288	343,894	329,527	14,367
Juvenile Justice, Department of	319,861	325,183	339,634	319,264	20,370
Labor, Department of	114,238	115,325	170,875	165,892	4,983
Law, Department of	71,172	93,122	101,093	99,514	1,579
Natural Resources, Department of	293,006	302,853	396,860	339,492	57,368
Pardons and Paroles, State Board of	16,550	17,113	17,278	17,204	74
Properties Commission, State	2,481	3,208	3,221	2,221	1,000
Public Defender Council, Georgia	92,145	93,103	93,293	91,983	1,310
Public Health, Department of	690,141	747,343	1,229,978	1,112,130	117,848
Public Safety, Department of	258,301	255,842	288,212	272,291	15,921
Public Service Commission	10,837	10,928	10,815	10,853	(38)
Regents, University System of Georgia	8,200,232	8,306,774	9,989,819	8,530,164	1,459,655
Revenue, Department of	175,276	200,691	216,461	214,470	1,991
Secretary of State	28,076	28,590	57,863	71,509	(13,646)
Student Finance Commission and Authority, Georgia	1,058,558	1,051,783	1,045,343	967,897	77,446
Teachers' Retirement System	41,817	43,707	43,563	39,567	3,996
Technical College System of Georgia	1,010,978	950,280	1,171,906	920,515	251,391
Transportation, Department of	3,436,428	3,636,354	4,813,232	4,203,303	609,929
Veterans' Services, Department of	40,898	50,179	53,348	52,777	571
Workers' Compensation, State Board of	21,392	21,477	21,351	17,150	4,201
State of Georgia General Obligation Debt Sinking Fund	1,354,997	1,360,536	1,428,235	1,169,655	258,580
Total Expenditures	52,504,842	53,747,644	76,665,833	63,155,137	13,510,696
Excess of Funds Available over Expenditures	$ —	$ —	$ —	$ 7,415,964	$ (7,415,964)

Required Supplementary Information
Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

		General Fund
Sources/Inflows of Resources		
Summary		
Actual amounts (budgetary basis) "Total Funds Available" from the budgetary comparison schedule	$	70,571,101
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.		(10,340,267)
Revenues of nonbudgeted funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.		30,403,415
State appropriations revenues are budgetary resources, but are netted with the State's treasury disbursements for GAAP purposes.		(26,574,627)
Basis Differences:		
Accrual of taxpayer assessed receivables and revenues.		135,980
Fund balance adjustments are not inflows of budgetary resources, but affect current year revenues for GAAP reporting purposes.		(145,523)
Prior Year Reserves Available for Expenditure are included in Funds Available, but are not revenues for GAAP reporting purposes.		(7,080,994)
Revenues from intrafund transactions are budgetary resources, but are not revenues for GAAP reporting purposes.		(2,364,001)
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.		(3,157,517)
Transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.		(100,560)
Revenue reported for nonbudgetary food stamp program and donated commodities.		4,597,993
Revenue reported for on-behalf payments related to pensions.		67,437
Other net accrued receivables and revenues.		(634,334)
Total Revenues (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$	55,378,103

(continued)

Uses/Outflows of Resources	General Fund
Summary	
Actual amounts (budgetary basis) “Total Expenditures” from the budgetary comparison schedule	$ 63,155,137
Differences - budget to GAAP	
Perspective Differences:	
Expenditures of Budgeted Funds for organizations not reported in the General Fund.	(13,110,211)
Expenditures of nonbudgeted Funds included within the State's reporting entity, and shown in the General Fund for financial reporting purposes.	98,346
Basis Differences:	
Accrual of teacher salaries not included in current budget year.	64,548
Capital lease acquisitions are not outflows of budgetary resources, but are recorded as current expenditures and other financing sources for GAAP reporting.	25,084
Change in expenditure accrual for nonbudgetary Medicaid claims.	9,900
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.	(3,475,267)
Expenditures from intrafund transactions are budgetary outflows, but are not expenditures for GAAP reporting purposes.	(2,364,001)
Expenditures reported for nonbudgetary food stamp program and donated commodities.	4,597,993
Expenditures reported for on-behalf payments related to pensions.	67,437
Fund balance adjustments are not outflows of budgetary resources, but affect current year expenditures for GAAP reporting purposes.	(517,330)
Transfers to other funds are outflows of budgetary resources, but are not expenditures for GAAP reporting purposes.	(1,627,409)
Other net accrued liabilities and expenditures.	(410,212)
Total Expenditures (General Fund) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$ 46,514,015

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, 2021

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.

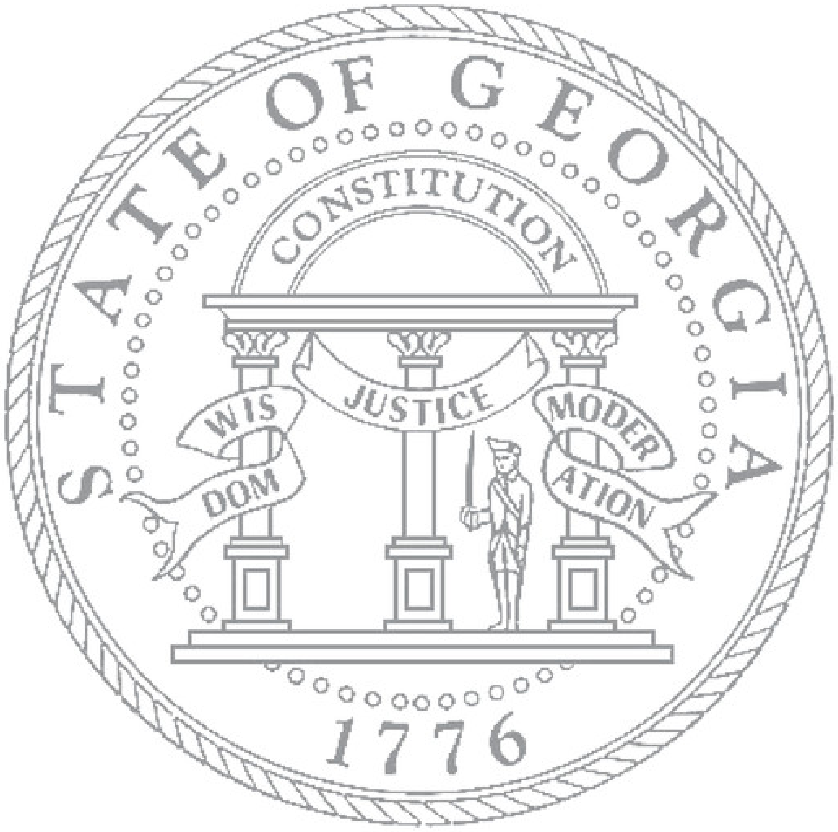
Budgetary Compliance Exceptions

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, 2021, 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, 2021
(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.

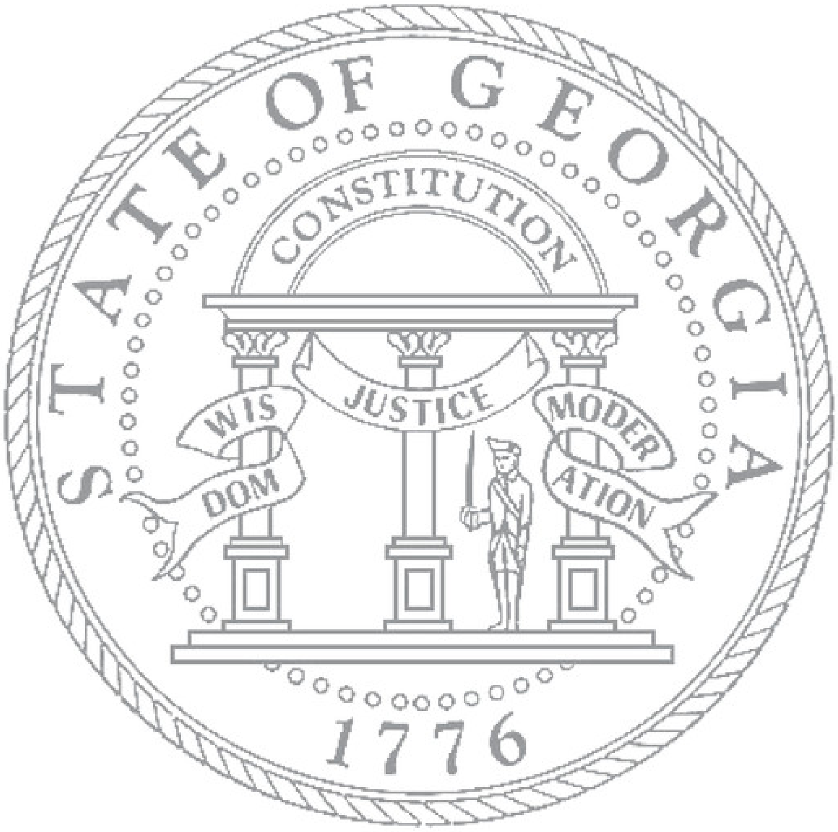
(Table on next page)

Required Supplementary Information
Public Entity Risk Pool
For the Fiscal Year Ended June 30, 2021
(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	
Four years later	2,089,484	1,931,895	1,871,509	1,915,972	2,151,121		
Five years later	2,089,484	1,931,895	1,871,509	1,915,972			
Six years later	2,089,484	1,931,895	1,871,509				
Seven years later	2,089,484	1,931,895					
Eight years later [1]	2,089,484						
(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	
Four years later	2,019,869	1,934,321	1,871,599	1,915,846	2,148,678		
Five years later	2,019,869	1,934,321	1,871,599	1,915,846			
Six years later	2,019,869	1,934,321	1,871,599				
Seven years later	2,019,869	1,934,321					
Eight years later [1]	2,019,869						
(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)

[1] Data not available prior to fiscal year 2013

	2020	2021
	$ 2,837,988	$ 3,080,118
	120,588	116,308
	2,614,741	3,057,358
	2,579,198	3,036,605
	2,650,623	
	2,614,741	3,057,357
	2,650,939	
	36,198	—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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	6/30/2012	$ 273,623	$ 274,034	$ (411)	$ 2,414,884	11.35 %
	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 %
Teachers Retirement System of Georgia	6/30/2012	$ 1,082,224	$ 1,082,224	$ —	$10,527,471	10.28 %
	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 %

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 Seven Fiscal Years

(dollars in thousands)

	2021	2020	2019	2018
Employees' Retirement System:				
Total pension liability	$ 18,886,809	$ 17,717,243	$ 17,744,003	$ 17,628,219
Plan fiduciary net position	16,547,905	13,502,286	13,617,472	13,517,186
Employers' and nonemployers' net pension liability	$ 2,338,904	$ 4,214,957	$ 4,126,531	$ 4,111,033
Plan fiduciary net position as a percentage of the total pension liability	87.62 %	76.21 %	76.74 %	76.68 %
Covered payroll	$ 2,480,422	$ 2,614,856	$ 2,615,491	$ 2,635,896
Employers' and nonemployers' net pension liability as a percentage of covered payroll	94.29 %	161.19 %	157.77 %	155.96 %
Teachers Retirement System:				
Total pension liability	$ 110,991,021	$ 105,385,472	$ 100,291,641	$ 94,095,067
Plan fiduciary net position	102,146,688	81,161,558	78,788,937	75,532,925
Employers' and nonemployers' net pension liability	$ 8,844,333	$ 24,223,914	$ 21,502,704	$ 18,562,142
Plan fiduciary net position as a percentage of the total pension liability	92.03 %	77.01 %	78.56 %	80.27 %
Covered payroll	$ 13,093,006	$ 12,955,620	$ 12,279,440	$ 12,009,066
Employers' and nonemployers' net pension liability as a percentage of covered payroll	67.55 %	186.98 %	175.11 %	154.57 %

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.

2017	2016	2015	2014
$ 17,159,634	$ 17,103,987	$ 17,019,362	$ 17,042,149
13,098,299	12,373,567	12,967,964	13,291,531
$ 4,061,335	$ 4,730,420	$ 4,051,398	$ 3,750,618
76.33 %	72.34 %	76.20 %	77.99 %
$ 2,565,918	$ 2,390,457	$ 2,353,225	$ 2,335,773
158.28 %	197.89 %	172.16 %	160.57 %
$ 89,926,280	$ 86,183,526	$ 82,023,120	$ 79,099,772
71,340,972	65,552,411	66,799,111	66,466,091
$ 18,585,308	$ 20,631,115	$ 15,224,009	$ 12,633,681
79.33 %	76.06 %	81.44 %	84.03 %
$ 11,596,664	$ 11,075,907	$ 10,697,384	$ 10,349,862
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 Seven Fiscal Years
(dollars in thousands)

Employees' Retirement System:	**2021**	**2020**	**2019**	**2018**
Total pension liability:				
Service cost	$ 129,500	$ 132,004	$ 135,679	$ 129,294
Interest	1,240,748	1,240,887	1,233,882	1,233,689
Benefit changes	—	65,702	42,097	31,097
Differences between expected and actual experience	86,061	25,736	155,573	180,655
Changes of assumptions	1,154,636	—	—	314,733
Benefit payments	(1,434,775)	(1,484,445)	(1,443,756)	(1,413,298)
Refunds of contributions	(6,604)	(6,644)	(7,691)	(7,585)
Net change in total pension liability	1,169,566	(26,760)	115,784	468,585
Total pension liability-beginning	17,717,243	17,744,003	17,628,219	17,159,634
Total pension liability-ending (a)	18,886,809	17,717,243	17,744,003	17,628,219
Plan fiduciary net position:				
Contributions-employer	606,893	634,108	638,989	639,302
Contributions-nonemployer	9,048	9,749	10,220	12,865
Contributions-member	35,027	35,837	36,252	37,130
Administrative expense allotment	—	10	10	10
Net investment income	3,843,581	703,840	873,404	1,166,013
Benefit payments	(1,434,775)	(1,484,445)	(1,443,756)	(1,413,298)
Administrative expense	(7,587)	(7,641)	(7,142)	(8,056)
Refunds of contributions	(6,604)	(6,644)	(7,691)	(7,585)
Transfers from Other Funds*	36			
Other**	—	—	—	(7,494)
Net change in plan fiduciary net position	3,045,619	(115,186)	100,286	418,887
Plan fiduciary net position-beginning	13,502,286	13,617,472	13,517,186	13,098,299
Plan fiduciary net position-ending (b)	16,547,905	13,502,286	13,617,472	13,517,186
Net pension liability-ending (a)-(b)	$ 2,338,904	$ 4,214,957	$ 4,126,531	$ 4,111,033
Teachers Retirement System:				
Total pension liability:				
Service cost	$ 1,734,145	$ 1,597,714	$ 1,536,336	$ 1,484,705
Interest	7,440,942	7,080,133	6,868,617	6,565,372
Differences between expected and actual experience	1,934,042	368,463	430,272	894,691
Changes of assumptions	—	1,316,780	2,388,357	—
Benefit payments	(5,434,414)	(5,192,283)	(4,950,465)	(4,699,920)
Refunds of contributions	(69,166)	(76,976)	(76,543)	(76,061)
Net change in total pension liability	5,605,549	5,093,831	6,196,574	4,168,787
Total pension liability-beginning	105,385,472	100,291,641	94,095,067	89,926,280
Total pension liability-ending (a)	110,991,021	105,385,472	100,291,641	94,095,067
Plan fiduciary net position:				
Contributions - employer	2,490,267	2,732,925	2,560,810	2,014,088
Contributions-nonemployer	5,123	5,729	5,414	4,416
Contributions-member	817,090	800,864	759,474	745,574
Net investment income	23,192,761	4,119,609	4,972,419	6,247,155
Benefit payments	(5,434,414)	(5,192,283)	(4,950,465)	(4,699,920)
Administrative expense	(16,668)	(17,411)	(15,276)	(15,865)
Refunds of contributions	(69,166)	(76,976)	(76,543)	(76,061)
Transfers from Other Funds*	137	164	179	220
Other**	—	—	—	(27,654)
Net change in plan fiduciary net position	20,985,130	2,372,621	3,256,012	4,191,953
Plan fiduciary net position-beginning	81,161,558	78,788,937	75,532,925	71,340,972
Plan fiduciary net position-ending (b)	102,146,688	81,161,558	78,788,937	75,532,925
Net pension liability-ending (a)-(b)	$ 8,844,333	$ 24,223,914	$ 21,502,704	$ 18,562,142

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.

2017	2016	2015	2014
$ 125,910	$ 143,043	$ 145,045	$ 150,075
1,230,175	1,225,650	1,227,846	1,224,380
30,563	—	—	—
72,315	(238)	(53,950)	—
—	70,890	—	—
(1,394,283)	(1,347,633)	(1,334,278)	(1,305,998)
(9,033)	(7,087)	(7,450)	(8,757)
55,647	84,625	(22,787)	59,700
17,103,987	17,019,362	17,042,149	16,982,449
17,159,634	17,103,987	17,019,362	17,042,149
613,191	583,082	505,668	418,807
12,080	12,484	12,495	10,945
35,863	31,961	33,713	32,423
10	10	10	—
1,475,626	141,292	474,147	2,021,748
(1,394,283)	(1,347,633)	(1,334,278)	(1,305,998)
(8,732)	(8,506)	(7,872)	(7,440)
(9,033)	(7,087)	(7,450)	(8,757)
10			
—	—	—	—
724,732	(594,397)	(323,567)	1,161,728
12,373,567	12,967,964	13,291,531	12,129,803
13,098,299	12,373,567	12,967,964	13,291,531
$ 4,061,335	$ 4,730,420	$ 4,051,398	$ 3,750,618
$ 1,413,080	$ 1,435,808	$ 1,386,498	$ 1,374,556
6,293,611	5,990,178	5,779,597	5,557,046
573,483	380,526	(165,785)	—
—	662,047	—	—
(4,461,124)	(4,228,819)	(3,996,879)	(3,764,452)
(76,296)	(79,334)	(80,083)	(87,095)
3,742,754	4,160,406	2,923,348	3,080,055
86,183,526	82,023,120	79,099,772	76,019,717
89,926,280	86,183,526	82,023,120	79,099,772
1,648,411	1,572,624	1,399,668	1,264,546
6,175	7,908	7,038	6,417
716,233	685,626	661,835	640,120
7,971,677	810,574	2,384,145	9,826,743
(4,461,124)	(4,228,819)	(3,996,879)	(3,764,452)
(16,773)	(15,281)	(14,996)	(15,025)
(76,296)	(79,334)	(80,085)	(87,095)
258		321	
—	—	(28,027)	—
5,788,561	(1,246,702)	333,020	7,871,254
65,552,411	66,799,113	66,466,091	58,594,837
71,340,972	65,552,411	66,799,113	66,466,091
$ 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 Eight Fiscal Years

	Annual money-weighted rate of return, net of investment expense							
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Pooled Investment Fund (ERS):	19.40%	(3.60%)	(1.80%)	0.60%	2.90%	(7.23%)	(5.32%)	(5.95%)
Employees' Retirement System								
Teachers Retirement System	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, 2021

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.

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, 2017 measurement date, the 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, 2018 actuarial valuation. In addition, based on the ERS board's new funding policy the assumed investment rate of return was reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date, and remained unchanged for June 30, 2019. 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%.

Teachers Retirement System

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.

Required Supplementary Information
Notes to Required Supplementary Information
Defined Benefit Pension Plans
Methods and Assumptions
For the Fiscal Year Ended June 30, 2021

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, 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 fair	5-year smoothed fair
Inflation	2.75%	2.50%
Salary increases:	3.25 - 7.0%	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 Seven Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
Primary Government				
Employees' Retirement System:				
Statutorily required contribution	$ 524,789	$ 578,020	$ 578,876	$ 582,189
Contributions in relation to the statutorily required contribution	(524,789)	(578,020)	(578,876)	(582,189)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 2,299,629	$ 2,389,515	$ 2,378,687	$ 2,403,879
Contributions as a percentage of the covered payroll	22.82 %	24.19 %	24.34 %	24.22 %
Teachers Retirement System:				
Statutorily required contribution	$ 403,678	$ 457,759	$ 434,861	$ 339,634
Contributions in relation to the statutorily required contribution	(403,678)	(457,759)	(434,861)	(339,634)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 2,125,117	$ 2,169,964	$ 2,075,231	$ 2,016,415
Contributions as a percentage of the covered payroll	19.00 %	21.10 %	20.95 %	16.84 %
Component Units				
Employees' Retirement System:				
Statutorily required contribution	$ 8,004	$ 9,324	$ 9,369	$ 9,184
Contributions in relation to the statutorily required contribution	(8,004)	(9,324)	(9,369)	(9,184)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 34,178	$ 40,397	$ 40,121	$ 37,649
Contributions as a percentage of the covered payroll	23.42 %	23.08 %	23.35 %	24.39 %
Teachers Retirement System:				
Statutorily required contribution	$ 14,031	$ 15,748	$ 14,338	$ 11,195
Contributions in relation to the statutorily required contribution	(14,031)	(15,748)	(14,338)	(11,195)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll	$ 73,640	$ 74,484	$ 68,606	$ 66,582
Contributions as a percentage of the covered payroll	19.05 %	21.14 %	20.90 %	16.81 %

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.

	2017	2016	2015
	$ 554,976	$ 505,411	$ 440,602
	(554,976)	(505,411)	(440,602)
	$ —	$ —	$ —
	$ 2,257,282	$ 2,103,422	$ 1,875,953
	24.59 %	24.03 %	23.49 %
	$ 276,210	$ 261,758	$ 230,939
	276,210	(261,758)	(230,939)
	$ —	$ —	$ —
	$ 1,934,055	$ 1,832,311	$ 1,756,586
	14.28 %	14.29 %	13.15 %
	$ 9,576	$ 9,425	$ 8,304
	(9,576)	(9,425)	(8,304)
	$ —	$ —	$ —
	$ 36,171	$ 39,238	$ 35,265
	26.47 %	24.02 %	23.55 %
	$ 9,248	$ 8,616	$ 8,231
	(9,248)	(8,616)	(8,231)
	$ —	$ —	$ —
	$ 64,715	$ 63,339	$ 62,558
	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 Seven Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
Employees' Retirement System:				
Statutorily required contribution	$ 8,931	$ 9,840	$ 10,404	$ 10,781
Contributions in relation to the statutorily required contribution	(8,931)	(9,840)	(10,404)	(10,781)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
Teachers Retirement System:				
Statutorily required contribution	$ 5,123	$ 5,729	$ 5,414	$ 4,420
Contributions in relation to the statutorily required contribution	(5,123)	(5,729)	(5,414)	(4,420)
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.

2017	2016	2015
$ 11,967	$ 12,138	$ 11,174
(11,967)	(12,138)	(11,174)
$ —	$ —	$ —
$ 6,152	$ 7,944	$ 7,038
(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 Six Fiscal Years

(dollars in thousands)

	2021	2020	2019	2018
Primary Government				
Employees' Retirement System:				
State's proportion of the net pension liability	88.814112 %	88.906000 %	88.948204 %	88.415594 %
State's proportionate share of the net pension liability	$ 3,743,477	$ 3,667,433	$ 3,656,194	$ 3,590,854
State's Covered payroll	$ 2,389,515	$ 2,378,687	$ 2,403,879	$ 2,257,282
State's proportionate share of the net pension liability as a percentage of its covered payroll	156.66 %	154.18 %	152.10 %	159.08 %
Plan fiduciary net position as a percentage of the total pension liability	76.21 %	76.74 %	76.68 %	76.33 %
Teachers Retirement System:				
State's proportion of the net pension liability	16.800653 %	17.045266 %	17.011357 %	16.885665 %
State's proportionate share of the net pension liability	$ 4,069,621	$ 3,664,958	$ 3,157,367	$ 3,137,798
State's Covered payroll	$ 2,169,964	$ 2,075,231	$ 2,016,415	$ 1,934,055
State's proportionate share of the net pension liability as a percentage of its covered payroll	187.54 %	176.60 %	156.58 %	162.24 %
Plan fiduciary net position as a percentage of the total pension liability	77.01 %	78.56 %	80.27 %	79.33 %
Component Units				
Employees' Retirement System:				
State's proportion of the net pension liability	1.490203 %	1.473466 %	1.369623 %	1.501635 %
State's proportionate share of the net pension liability	$ 62,811	$ 60,803	$ 56,305	$ 60,985
State's Covered payroll	$ 40,397	$ 40,121	$ 37,649	$ 36,171
State's proportionate share of the net pension liability as a percentage of its covered payroll	155.48 %	151.55 %	149.55 %	168.60 %
Plan fiduciary net position as a percentage of the total pension liability	76.21 %	76.74 %	76.68 %	76.33 %
Teachers Retirement System:				
State's proportion of the net pension liability	0.577537 %	0.562276 %	0.558992 %	0.564739 %
State's proportionate share of the net pension liability	$ 139,902	$ 120,905	$ 103,761	$ 104,910
State's Covered payroll	$ 74,484	$ 68,606	$ 66,582	$ 64,715
State's proportionate share of the net pension liability as a percentage of its covered payroll	187.83 %	176.23 %	155.84 %	162.11 %
Plan fiduciary net position as a percentage of the total pension liability	77.01 %	78.56 %	80.27 %	79.33 %

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.

	2017	2016	2015
	87.798535 %	87.682412 %	87.266834 %
	$ 4,153,237	$ 3,552,363	$ 3,273,046
	$ 2,103,422	$ 1,875,953	$ 1,615,070
	197.45 %	189.36 %	202.66 %
	72.34 %	76.20 %	77.99 %
	16.741530 %	16.687812 %	16.517474 %
	$ 3,453,291	$ 2,540,211	$ 2,086,629
	$ 1,832,311	$ 1,756,586	$ 1,683,292
	188.47 %	144.61 %	123.96 %
	76.06 %	81.44 %	84.03 %
	1.639295 %	1.557127 %	1.543905 %
	$ 77,545	$ 63,085	$ 57,906
	$ 39,238	$ 35,265	$ 28,075
	197.63 %	178.89 %	206.25 %
	72.34 %	76.20 %	77.99 %
	0.577541 %	0.564109 %	0.590520 %
	$ 119	$ 85,798	$ 74,604
	$ 63,339	$ 62,558	$ 60,180
	187.83 %	137.15 %	123.97 %
	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 Seven Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
Employees' Retirement System:				
State's proportion of the net pension liability	1.560184 %	1.633579 %	1.696518 %	1.891959 %
State's proportionate share of the net pension liability	$ 65,761	$ 67,410	$ 69,744	$ 76,839
Plan fiduciary net position as a percentage of the total pension liability	76.21 %	76.74 %	76.68 %	76.33 %
Teachers Retirement System:				
State's proportion of the net pension liability (asset)	0.210185 %	0.212260 %	0.220738 %	0.375432 %
State's proportionate share of the net pension liability (asset)	$ 50,915	$ 45,642	$ 40,974	$ 69,775
Plan fiduciary net position as a percentage of the total pension liability	77.01 %	78.56 %	80.27 %	79.33 %

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.

2017	2016	2015
2.111751 %	2.225584 %	2.410713 %
$ 99,895	$ 90,167	$ 90,417
72.34 %	76.20 %	77.99 %
0.507487 %	0.507036 %	0.504588 %
$ 104,700	$ 77,191	$ 63,748
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, 2021

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. 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 by 0.10% from 7.40% to 7.30% as of June 30, 2018 measurement date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 actuarial valuation.

Teachers Retirement System

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, 2021

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, 2017	June 30, 2017
Actuarial cost method	Entry age	Entry age
Amortization method	Level dollar, closed	Level percent of payroll, closed
Remaining amortization period	16.5 years	27.1 years
Asset valuation method	5-year smoothed market	5-year smoothed fair
Inflation	2.75%	2.75%
Salary increases:	3.25 - 7.00%, including inflation	3.25 - 9.00%, including inflation
Investment rate of return	7.40%, net of pension plan investment expense, including inflation	7.50%, 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

CONSTITUTION

WISDOM JUSTICE MODERATION

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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]	6/30/2012	$ 317,100	$ 181,899	$ 135,201	$ 2,408,000	7.55 %
	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 %
School OPEB[1]	6/30/2012	$ 1,054,708	$ 380,859	$ 673,849	N/A	N/A
	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

(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]	6/30/2012	$ 345,298	$ 88,836	$ 256,462	$ 2,526,212	3.52 %
	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 %
SEAD-OPEB[5]	6/30/2012	$ 12,724	$ 12,724	$ —	$ 2,085,902	0.61 %
	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

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 Five Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
State OPEB Fund:				
Total OPEB liability	$ 2,213,298	$ 2,792,919	$ 2,858,521	$ 3,817,453
Plan fiduciary net position	1,938,443	1,667,521	1,617,207	1,201,865
Employers’ net OPEB liability	$ 274,855	$ 1,125,398	$ 1,241,314	$ 2,615,588
Plan fiduciary net position as a percentage of the total OPEB liability	87.58 %	59.71 %	56.57 %	31.48 %
Covered payroll	$ 2,815,892	$ 2,797,241	$ 2,802,815	$ 2,535,722
Employers’ net OPEB liability as a percentage of covered payroll	9.76 %	40.23 %	44.29 %	103.15 %
School OPEB Fund:				
Total OPEB liability	$ 11,539,870	$ 15,298,688	$ 12,867,274	$ 13,092,956
Plan fiduciary net position	709,042	611,017	595,129	383,263
Employers’ net OPEB liability	$ 10,830,828	$ 14,687,671	$ 12,272,145	$ 12,709,693
Plan fiduciary net position as a percentage of the total OPEB liability	6.14 %	3.99 %	4.63 %	2.93 %
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	$ 950,995	$ 972,700	$ 951,091	$ 918,816
Plan fiduciary net position	1,566,821	1,256,718	1,233,856	1,189,462
Employers’ net OPEB (asset)	$ (615,826)	$ (284,018)	$ (282,765)	$ (270,646)
Plan fiduciary net position as a percentage of the total OPEB liability	164.76 %	129.20 %	129.73 %	129.46 %
Covered payroll	$ 1,030,717	$ 1,135,433	$ 1,211,274	$ 1,328,485
Employers’ net OPEB (asset) as a percentage of covered payroll	(59.75%)	(25.01%)	(23.34%)	(20.37%)
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 payroll*	$ 3,610,622	$ 3,622,124	$ 3,375,246	$ 3,218,771
Employers’ net OPEB liability as a percentage of covered payroll	139.40 %	147.25 %	132.48 %	137.03 %

* 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.

2017
$ 4,929,142
854,937
$ 4,074,205
17.34 %
$ 2,483,060
164.08 %
$14,279,644
229,685
$14,049,959
1.61 %
N/A
N/A
$ 861,346
1,121,251
$ (259,905)
130.17 %
$ 1,383,860
(18.78%)
$ 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
Multi-Employer and Single-Employer OPEB Plans
For the Last Five Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
State OPEB Fund:				
Total OPEB liability:				
Service cost	$ 40,439	$ 39,825	$ 63,724	$ 112,297
Interest	191,884	203,201	194,860	174,427
Differences between expected and actual experience	(657,643)	(185,261)	(371,757)	(267,124)
Changes of assumptions	(4,268)	26,555	(676,765)	(963,394)
Benefit payments	(150,033)	(149,922)	(168,993)	(167,896)
Net change in total OPEB liability	(579,621)	(65,602)	(958,931)	(1,111,690)
Total OPEB liability-beginning	2,792,919	2,858,521	3,817,452	4,929,142
Total OPEB liability-ending (a)	2,213,298	2,792,919	2,858,521	3,817,452
Plan fiduciary net position:				
Contributions-employer	151,709	150,489	534,673	501,574
Net investment income	270,803	51,938	51,687	15,300
Benefit payments	(150,033)	(149,922)	(168,993)	(167,896)
Administrative expense	(1,557)	(2,191)	(2,025)	(2,052)
Net change in plan fiduciary net position	270,922	50,314	415,342	346,926
Plan fiduciary net position-beginning	1,667,521	1,617,207	1,201,865	854,939
Plan fiduciary net position-ending (b)	1,938,443	1,667,521	1,617,207	1,201,865
Net OPEB liability-ending (a)-(b)	$ 274,855	$ 1,125,398	$ 1,241,314	$ 2,615,587
School OPEB Fund:				
Total OPEB liability:				
Service cost	$ 639,070	$ 458,802	$ 408,667	$ 521,135
Interest	335,549	454,637	500,123	504,681
Differences between expected and actual experience	(4,394,955)	(619,357)	(1,298,677)	(341,373)
Changes of assumptions	29,294	2,473,164	503,959	(1,506,313)
Benefit payments	(367,776)	(335,832)	(339,754)	(364,818)
Net change in total OPEB liability	(3,758,818)	2,431,414	(225,682)	(1,186,688)
Total OPEB liability-beginning	15,298,688	12,867,274	13,092,956	14,279,644
Total OPEB liability-ending (a)	11,539,870	15,298,688	12,867,274	13,092,956
Plan fiduciary net position:				
Contributions-employer	371,855	338,177	538,569	518,290
Net investment income	97,704	18,795	17,468	4,563
Benefit payments	(367,776)	(335,832)	(339,754)	(364,818)
Administrative expense	(3,758)	(5,252)	(4,417)	(4,457)
Net change in plan fiduciary net position	98,025	15,888	211,866	153,578
Plan fiduciary net position-beginning	611,017	595,129	383,263	229,685
Plan fiduciary net position-ending (b)	709,042	611,017	595,129	383,263
Net OPEB liability-ending (a)-(b)	$ 10,830,828	$ 14,687,671	$ 12,272,145	$ 12,709,693

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

2017
$ 119,686
158,096
—
(383,932)
(162,145)
(268,295)
5,197,437
4,929,142
498,202
4,696
(162,145)
(2,077)
338,676
516,261
854,937
$ 4,074,205
$ 557,770
452,024
—
(1,262,291)
(383,556)
(636,053)
14,915,697
14,279,644
521,408
1,148
(383,556)
(4,727)
134,273
95,412
229,685
$ 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 Five Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
SEAD-OPEB Plan:				
Total OPEB liability:				
Service cost	$ 2,957	$ 3,237	$ 3,617	$ 3,695
Interest	69,011	67,796	65,708	63,242
Differences between expected and actual experience	(2,342)	(4,670)	366	4,697
Changes of assumptions	(36,651)	—	—	22,085
Benefit payments	(54,680)	(44,754)	(37,416)	(36,249)
Net change in total OPEB liability	(21,705)	21,609	32,275	57,470
Total OPEB liability-beginning	972,700	951,091	918,816	861,346
Total OPEB liability-ending (a)	950,995	972,700	951,091	918,816
Plan fiduciary net position:				
Insurance premiums-member	2,817	3,088	3,328	3,599
Net investment income	362,663	65,248	79,193	101,542
Benefit payments	(54,680)	(44,754)	(37,416)	(36,249)
Administrative expense	(697)	(720)	(716)	(681)
Other	—	—	5	—
Net change in plan fiduciary net position	310,103	22,862	44,394	68,211
Plan fiduciary net position-beginning	1,256,718	1,233,856	1,189,462	1,121,251
Plan fiduciary net position-ending (b)	1,566,821	1,256,718	1,233,856	1,189,462
Net OPEB (asset)-ending (a)-(b)	$ (615,826)	$ (284,018)	$ (282,765)	$ (270,646)
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	(101,370)	(94,211)	(98,563)	(90,549)
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	(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.

2017
$ 3,959
61,076
—
—
(36,058)
28,977
832,369
861,346
3,793
125,550
(36,058)
(576)
1
92,710
1,028,541
1,121,251
$ (259,905)
$ 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
Schedule of Investment Returns
Multi-Employer and Single-Employer OPEB Plans
For the Last Five Fiscal Years

	Annual money-weighted rate of return, net of investment expense				
	2021	**2020**	**2019**	**2018**	**2017**
State OPEB Fund	16.23%	3.21%	3.85%	1.54%	0.74%
School OPEB Fund	15.91%	3.16%	3.80%	1.57%	0.78%
SEAD-OPEB Plan	19.40%	(3.60%)	(1.80%)	0.60%	2.90%
Regents Plan	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, 2021

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, 2021

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%.
- Subsequent to the June 30, 2018 measurement date, the SEAD 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, 2018 actuarial valuation. In addition, based on the SEAD 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, 2019 measurement date, and remained unchanged for June 30, 2020.

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.
- Mortality improvement scale 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 June 30, 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 changed 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, 2021

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, 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 Eligible	7.25%	7.25%
Medicare Eligible	5.375%	5.375%
Ultimate Trend Rate		
Pre-Medicare Eligible	4.75%	4.75%
Medicare Eligible	4.75%	4.75%
Year of ultimate trend rate	2028 Pre-Medicare Eligible 2022 Medicare Eligible	2028 Pre-Medicare Eligible 2022 Medicare Eligible
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	
Asset Valuation method	Fair Value	Fair Value
Inflation	2.75%	2.10%
Salary Increases	3.25 - 7.00%	3.75%
Healthcare cost trend rate		
Pre-Medicare Eligible	N/A	6.40%
Medicare Eligible	N/A	4.50%
Ultimate Trend Rate		
Pre-Medicare Eligible	N/A	4.00%
Medicare Eligible	N/A	4.50%
Year of ultimate trend rate	N/A	2031 Pre-Medicare Eligible 2020 Medicare Eligible
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.

Required Supplementary Information
Schedules of State's Contributions - As Employer
Multi-Employer OPEB Plans
For the last Four Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
Primary Government				
State OPEB Fund:				
Statutorily required contribution	$ 138,733	$ 139,402	$ 493,986	$ 461,566
Contributions in relation to the statutorily required contribution	(138,733)	(139,402)	(493,986)	(461,566)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 2,456,217	$ 2,588,350	$ 2,636,539	$ 2,454,971
Contributions as a percentage of the covered payroll	5.65 %	5.39 %	18.74 %	18.80 %
SEAD-OPEB Plan:				
Actuarially determined contribution	$ —	$ —	$ —	$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 972,290	$ 1,068,459	$ 1,145,756	$ 1,247,936
Contributions as a percentage of the covered payroll	N/A	N/A	N/A	N/A
Component Units				
State OPEB Fund:				
Statutorily required contribution	$ 264	$ 270	$ 971	$ 979
Contributions in relation to the statutorily required contribution	(264)	(270)	(971)	(979)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 11,766	$ 12,240	$ 12,585	$ 13,038
Contributions as a percentage of the covered payroll	2.24 %	2.21 %	7.72 %	7.51 %
School OPEB Fund:				
Statutorily required contribution	$ 2,470	$ 2,315	$ 3,501	$ 3,243
Contributions in relation to the statutorily required contribution	(2,470)	(2,315)	(3,501)	(3,243)
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered-employee payroll*	$ 73,098	$ 74,439	$ 68,679	$ 65,272
Contributions as a percentage of the covered-employee payroll	3.38 %	3.11 %	5.10 %	4.97 %
SEAD-OPEB Plan:				
Actuarially determined contribution	$ —	$ —	$ —	$ —
Contributions in relation to the statutorily required contribution	—	—	—	—
Contribution Deficiency (excess)	$ —	$ —	$ —	$ —
State's covered payroll*	$ 11,450	$ 14,304	$ 14,739	$ 15,496
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.

Required Supplementary Information

Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer

For the last Four Fiscal Years

(amounts in thousands)

	2021	2020	2019	2018
Primary Government				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	92.138890 %	92.429945 %	92.022957 %	91.476285 %
State's proportionate share of the net OPEB liability	$ 1,036,929	$ 1,152,855	$ 2,409,618	$ 3,726,929
State's covered payroll	$ 2,588,350	$ 2,636,539	$ 2,454,971	$ 2,305,259
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.06 %	43.73 %	98.15 %	161.67 %
Plan fiduciary net position as a percentage of the total OPEB liability	59.71 %	56.57 %	31.48 %	17.34 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	89.669956 %	89.830175 %	89.813400%[1]	89.559271 %
State's proportionate share of the net OPEB liability (asset)	$ (254,679)	$ (253,962)	$ (243,103)	$ (232,195)
State's covered payroll	$ 1,068,459	$ 1,145,756	$ 1,247,936	$ 1,247,936
State's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(23.84%)	(22.17%)	(19.48%)	(18.61%)
Plan fiduciary net position as a percentage of the total OPEB liability	129.20 %	129.73 %	129.46 %	130.17 %
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	$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726
State's covered-employee payroll	$ 3,622,124	$ 3,375,246	$ 3,218,771	$ 3,122,694
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	147.25 %	132.48 %	137.03 %	135.13 %
Plan fiduciary net position as a percentage of the total OPEB liability	2.91 %	3.13 %	1.69 %	0.19 %

(continued)

[1] Prior year percentage calculation was updated.

Required Supplementary Information

Schedules of State's Proportionate Share of the Net OPEB Liability - As Employer

For the last Four Fiscal Years

(amounts in thousands)

	2021	2020	2019	2018
Component Units				
Multi-Employer Plans				
State OPEB Fund:				
State's proportion of the net OPEB liability	0.196236 %	0.197090 %	0.209969 %	0.213868 %
State's proportionate share of the net OPEB liability	$ 2,018	$ 2,253	$ 5,107	$ 8,097
State's covered payroll	$ 12,240	$ 12,585	$ 13,038	$ 12,526
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.49 %	17.90 %	39.17 %	64.64 %
Plan fiduciary net position as a percentage of the total OPEB liability	59.71 %	56.57 %	31.48 %	17.34 %
School OPEB Fund:				
State's proportion of the net OPEB liability	0.684502 %	0.650152 %	0.625763 %	0.598651 %
State's proportionate share of the net OPEB liability	$ 100,537	$ 79,788	$ 79,533	$ 84,110
State's covered-employee payroll	$ 74,439	$ 68,679	$ 65,272	$ 63,442
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	135.06 %	116.18 %	121.85 %	132.58 %
Plan fiduciary net position as a percentage of the total OPEB liability	3.99 %	4.63 %	2.93 %	1.61 %
SEAD-OPEB Plan:				
State's proportion of the net OPEB liability	1.200696 %	1.155560 %	1.119336 %	1.245396 %
State's proportionate share of the net OPEB liability (asset)	$ (3,377)	$ (3,237)	$ (3,000)	$ (3,195)
State's covered payroll	$ 14,304	$ 14,739	$ 15,496	$ 15,496
State's proportionate share of the net OPEB liability as a percentage of its covered payroll	(23.61%)	(21.96%)	(19.36%)	(20.62%)
Plan fiduciary net position as a percentage of the total OPEB liability	129.20 %	129.73 %	129.46 %	130.17 %

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.

Required Supplementary Information
Schedules of Employers' Net OPEB Liability - As Employer
Single-Employer OPEB Plans
For the last Four Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
Regents Plan:				
Total OPEB liability	$ 5,493,697	$ 4,616,023	$ 4,486,796	$ 4,227,583
Plan fiduciary net position	159,978	144,455	76,045	7,857
Employers' net OPEB liability	$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726
Plan fiduciary net position as a percentage of the total OPEB liability	2.91 %	3.13 %	1.69 %	0.19 %
Covered-employee payroll	$ 3,622,124	$ 3,375,246	$ 3,218,771	$ 3,122,694
Employers' net OPEB liability as a percentage of covered-employee payroll	147.25 %	132.48 %	137.03 %	135.13 %

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
Schedule of Changes in Employers' Net OPEB Liability - As Employer
Single-Employer OPEB Plans
For the Last Four Fiscal Years
(amounts in thousands)

	2021	2020	2019	2018
Regents Plan:				
Total OPEB liability:				
Service cost	$ 226,810	$ 217,648	$ 236,917	$ 211,513
Interest	167,864	180,173	158,223	124,612
Benefit changes	(81,917)	(11,211)	—	—
Differences between expected and actual experience	94,948	(29,667)	264,729	123,090
Changes of assumptions	564,180	(129,153)	(310,107)	(347,331)
Benefit payments/Refunds	(94,211)	(98,563)	(90,549)	(89,653)
Net change in total OPEB liability	877,674	129,227	259,213	22,231
Total OPEB liability-beginning	4,616,023	4,486,796	4,227,583	4,205,352
Total OPEB liability-ending (a)	5,493,697	4,616,023	4,486,796	4,227,583
Plan fiduciary net position:				
Contributions-employer	102,792	160,383	158,420	99,584
Net investment income	7,528	7,126	802	72
Benefit payments/Refunds	(94,211)	(98,563)	(90,549)	(89,653)
Administrative expense	(586)	(536)	(485)	(5,045)
Net change in plan fiduciary net position	15,523	68,410	68,188	4,958
Plan fiduciary net position-beginning	144,455	76,045	7,857	2,899
Plan fiduciary net position-ending (b)	159,978	144,455	76,045	7,857
Net OPEB liability-ending (a)-(b)	$ 5,333,719	$ 4,471,568	$ 4,410,751	$ 4,219,726

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, 2021

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, 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.
- 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, 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, 2021

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 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, and remained unchanged for the June 30, 2019 actuarial valuation.
- 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.
- Trend rate schedule was updated to reflect current estimates of the impact of the Excise Tax, due to the updated claims assumption.
- Mortality improvement scales was updated from MP-2018 to MP-2019.
- The discount rate was updated from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.
- The withdrawal rates were updated to better reflect the anticipated future experience as the result of an assumption study.
- The coverage election assumption was updated to better reflect anticipated future experience as the result of an assumption study.
- The spousal coverage assumption and the spousal age difference assumption were updated to better reflect anticipated future experience as the result of an assumption study.

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, 2021

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:

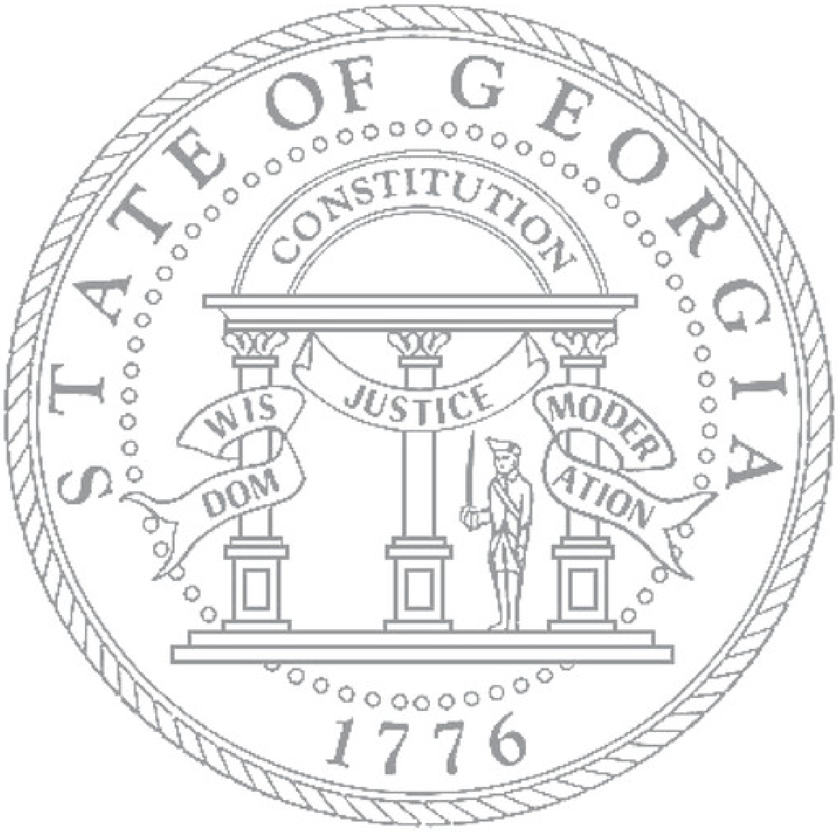
	State OPEB	School OPEB
Valuation date	June 30, 2017	June 30, 2017
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of pay, open	Level percent of pay open
Remaining amortization period	30 years	30 years
Asset Valuation method	Market Value	Market Value
Inflation	2.75%	2.75%
Healthcare cost trend rate		
Pre-Medicare	7.50%	7.50%
Medicare Eligible	5.50%	5.50%
Investment Rate of return*	4.50%	4.50%

	SEAD-OPEB Plan	Regents Plan
Valuation date	June 30, 2017	May 1, 2020
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%	4.00%
Healthcare cost trend rate		
Pre-Medicare	N/A	6.70%
Medicare Eligible	N/A	4.50%
Investment Rate of return*	7.40%	3.75%

* 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.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COMBINING AND INDIVIDUAL FUND STATEMENTS

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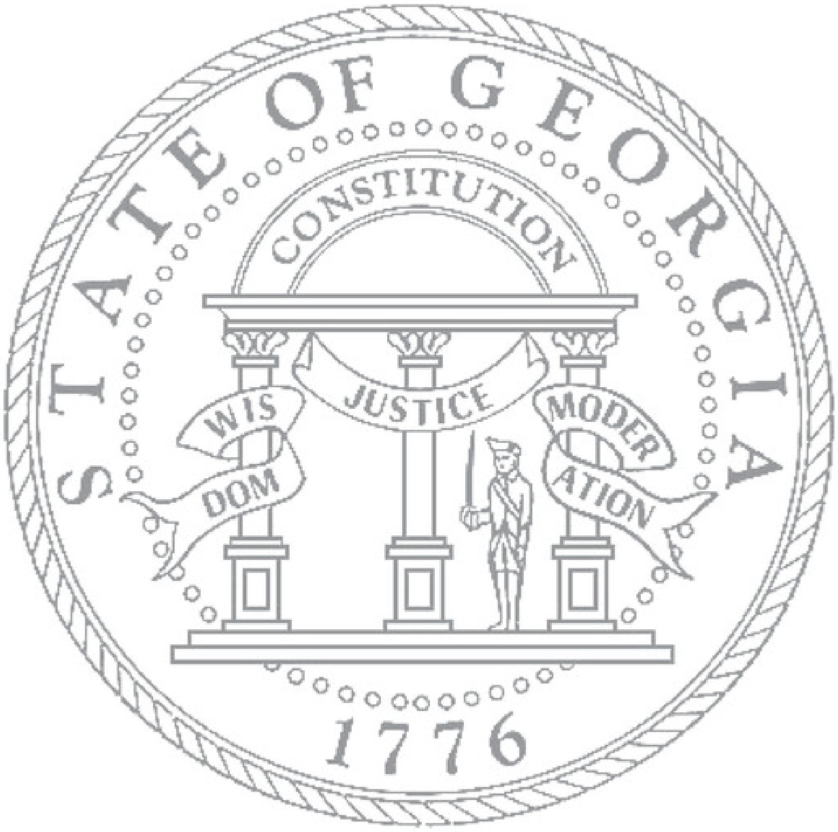
NONMAJOR GOVERNMENTAL FUNDS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SPECIAL REVENUE FUNDS

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 **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.

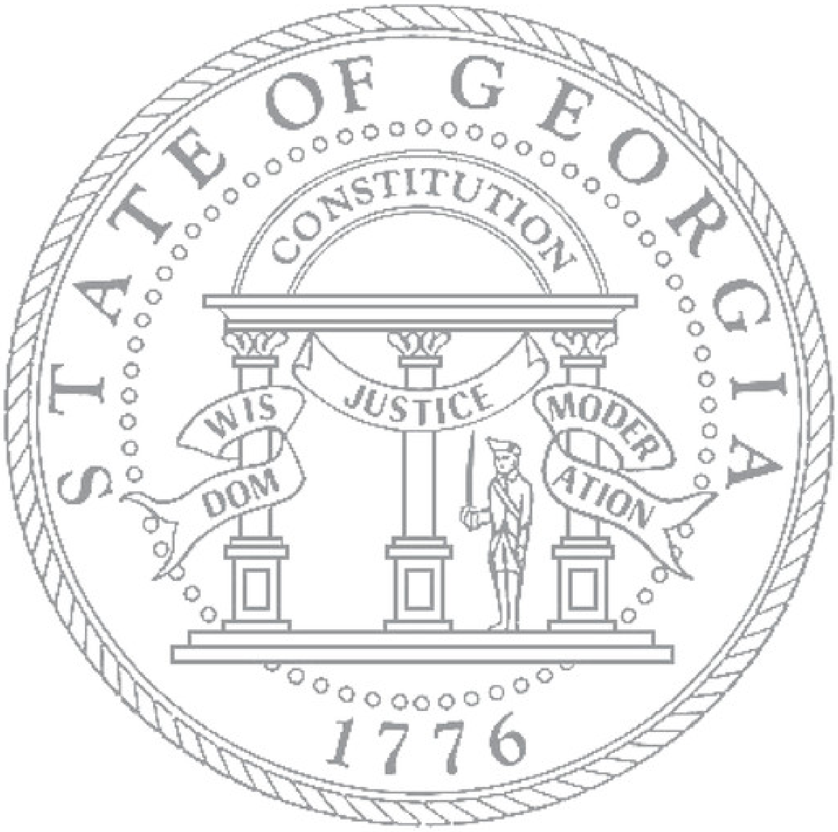
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

(amounts in thousands)

	Special Revenue			Debt Service		
	Georgia Aviation Authority	State Road and Tollway Authority	Transportation Investment Act Fund	General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
Assets						
Cash and Cash Equivalents	$ 1,259	$ 4,381	$ 370,080	$ —	$ 621,032	$ 996,752
Pooled Investments with State Treasury	—	11,626	—	—	—	11,626
Investments	—	—	90,118	—	—	90,118
Accounts Receivable	47	17,764	16,851	—	—	34,662
Due From Other Funds	—	586	—	—	90	676
Restricted Assets						
Pooled Investments with State Treasury	—	358,549	—	—	676	359,225
Total Assets	$ 1,306	$ 392,907	$ 477,049	$ —	$ 621,798	$ 1,493,060
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Other Accruals	$ 48	$ 32,910	$ 14,216	$ —	$ 3,531	$ 50,705
Due to Other Funds	—	8	13,849	—	—	13,857
Total Liabilities	48	305,909	28,065	—	3,531	337,553
Fund Balances:						
Restricted	—	76,307	448,984	—	618,267	1,143,558
Unrestricted						
Assigned	1,258	10,691	—	—	—	11,949
Total Fund Balances	1,258	86,998	448,984	—	618,267	1,155,507
Total Liabilities and Fund Balances	$ 1,306	$ 392,907	$ 477,049	$ —	$ 621,798	$ 1,493,060

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	Special Revenue			Debt Service		
	Georgia Aviation Authority	State Road and Tollway Authority	Transportation Investment Act Fund	General Obligation Debt Sinking Fund	State Road and Tollway Authority	Total
Revenues						
Intergovernmental - Other	$ —	$ 54,722	$ 195,158	$ —	$ —	$ 249,880
Sales and Services	112	—	—	—	—	112
Interest and Other Investment Income	—	576	15,316	—	98	15,990
Total Revenues	112	55,393	210,474	—	98	266,077
Expenditures						
General Government	883	—	—	—	—	883
Transportation	—	183,782	64,331	—	22,940	271,053
Debt Service						
Principal	—	—	—	772,095	159,460	931,555
Interest	—	—	—	398,430	21,531	419,961
Accrued Interest on Bonds Retired in Advance	—	—	—	3	—	3
Discount on Bonds Retired in Advance	—	—	—	7	—	7
Other Debt Service Expenditures	—	—	—	174,386	1,908	176,294
Total Expenditures	883	183,782	64,331	1,344,921	205,839	1,799,756
Excess (Deficiency) of Revenues Over (Under) Expenditures	(771)	(128,389)	146,143	(1,344,921)	(205,741)	(1,533,679)
Other Financing Sources (Uses)						
Debt Issuance - GARVEE Bonds	—	—	—	—	484,160	484,160
Debt Issuance - GARVEE Bonds - Premium	—	—	—	—	117,790	117,790
Transfers In	—	146,811	—	1,344,921	180,991	1,672,723
Transfers Out	—	(5,288)	(51,340)	—	—	(56,628)
Net Other Financing Sources (Uses)	—	141,523	(51,340)	1,344,921	782,941	2,218,045
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(771)	13,134	94,803	—	577,200	684,366
Fund Balances, July 1 - Restated (Note 3)	2,029	73,864	354,181	—	41,067	471,141
Fund Balances, June 30	$ 1,258	$ 86,998	$ 448,984	$ —	$ 618,267	$ 1,155,507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NONMAJOR ENTERPRISE FUNDS

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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, 2021
(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	$ 183	$ 3	$ 89,876	$ 90,062
Pooled Investments with State Treasury	—	474	16,689	17,163
Investments	408,125	—	—	408,125
Accounts Receivable (Net)	—	320	2,118	2,438
Due from Other Funds	61	—	—	61
Due from Component Units	—	176,560	—	176,560
Inventories	—	—	126	126
Other Assets	—	—	11	11
Restricted Assets:				
Pooled Investments with State Treasury	—	—	34,380	34,380
Total Current Assets	408,369	177,357	143,200	728,926
Noncurrent Assets:				
Restricted Assets:				
Net OPEB Asset	—	—	530	530
Nondepreciable Capital Assets	—	—	22,154	22,154
Depreciable Capital Assets, net	—	—	21,501	21,501
Total Noncurrent Assets	—	—	44,185	44,185
Total Assets	408,369	177,357	187,385	773,111
Deferred Outflows of Resources	—	17,108	3,613	20,721
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	46	—	7,473	7,519
Due to Other Funds	—	—	676	676
Compensated Absences Payable	—	—	538	538
Revenue Bonds Payable	—	6,110	1,658	7,768
Other Current Liabilities	—	320	29	349
Current Liabilities Payable from Restricted Assets	—	—	29,801	29,801
Total current Liabilities	46	6,430	40,175	46,651
Noncurrent Liabilities:				
Compensated Absences Payable	—	—	359	359
Revenue Bonds Payable	—	186,703	37,866	224,569
Notes and Loans Payable	—	—	290,169	290,169
Net OPEB Liability	—	—	2,662	2,662
Net Pension Liability	—	—	10,033	10,033
Total Noncurrent Liabilities	—	186,703	341,089	527,792
Total Liabilities	46	193,133	381,264	574,443
Deferred Inflows of Resources	—	—	2,724	2,724
Net Position				
Net Investment in Capital Assets	—	—	43,655	43,655
Restricted for:				
Bond Covenants/Debt Service	—	—	329,693	329,693
Other Benefits	408,323	—	—	408,323
Other Purposes	—	—	530	530
Unrestricted	—	1,332	(566,868)	(565,536)
Total Net Position	$ 408,323	$ 1,332	$ (192,990)	$ 216,665

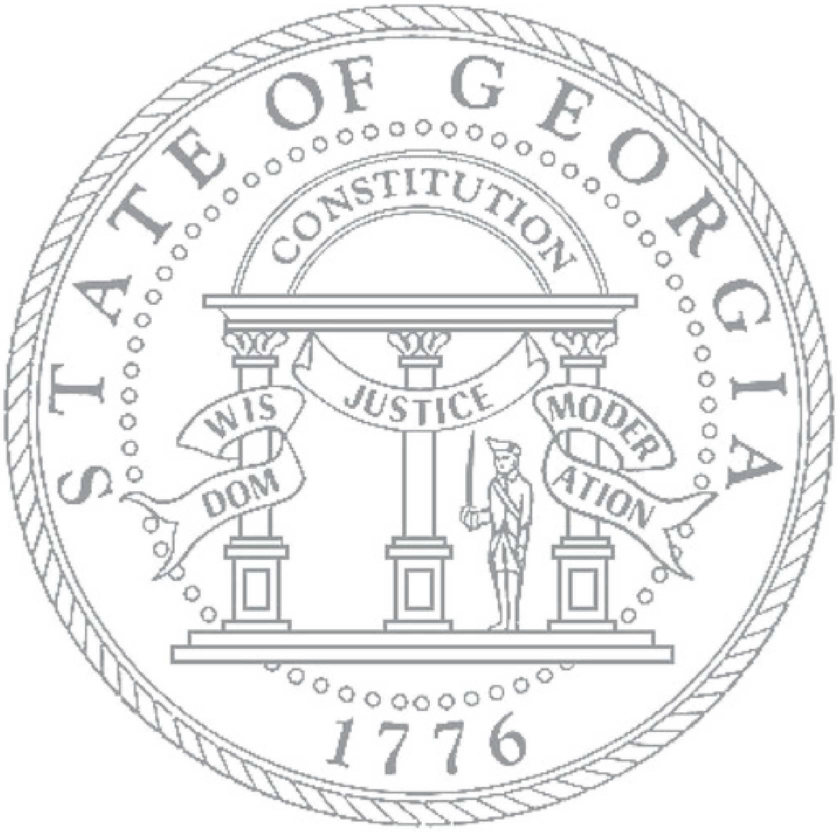
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	State Employees' Assurance Department-Active	Georgia Higher Education Facilities Authority	State Road and Tollway Authority	Total
Operating Revenues:				
Operating Contributions/Premiums	$ 521	$ —	$ —	$ 521
Operating Grants	—	—	29,633	29,633
Sales and Services	—	7,966	31,920	39,886
Total Operating Revenues	521	7,966	61,553	70,040
Operating Expenses:				
Personal Services	77	—	8,619	8,696
Services and Supplies	—	10	15,227	15,237
Interest Expense	—	7,965	—	7,965
Benefits	4,870	—	—	4,870
Depreciation	—	—	11,015	11,015
Amortization	—	(679)	—	(679)
Total Operating Expenses	4,947	7,296	34,861	47,104
Operating Income	(4,426)	670	26,692	22,936
Nonoperating Revenues (Expenses):				
Interest and Other Investment Income	93,479	—	279	93,758
Interest Expense	(70)	—	(13,341)	(13,411)
Other	—	—	(119,606)	(119,606)
Total Nonoperating Revenues (Expenses)	93,409	—	(132,668)	(39,259)
Income (Loss) Before Contributions and Transfers	88,983	670	(105,976)	(16,323)
Transfers:				
Transfers In	—	—	20,142	20,142
Change in Net Position	88,983	670	(85,834)	3,819
Net Position, July 1 - Restated (Note 3)	319,340	662	(107,156)	212,846
Net Position, June 30	$ 408,323	$ 1,332	$ (192,990)	$ 216,665

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2021
(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	$ 529	$ —	$ 56,600	$ 57,129
Cash Paid to Vendors	(4,948)	(10)	(13,240)	(18,198)
Cash Paid to Employees	—	—	(6,915)	(6,915)
Net Cash Provided by Operating Activities	(4,419)	(10)	36,445	32,016
Cash Flows from Noncapital Financing Activities:				
Interest Paid on Bonds/Long-Term Debt	—	(7,978)	—	(7,978)
Transfers from Other Funds	—	—	14,854	14,854
Payments on Noncapital Financing Debt	—	(5,730)	—	(5,730)
Other Noncapital Payments	—	—	(45,443)	(45,443)
Net Cash Used in Noncapital Financing Activities	—	(13,708)	(30,589)	(44,297)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	—	—	(10,781)	(10,781)
Principal Paid on Capital Debt	—	—	(1,305)	(1,305)
Net Cash Provided by (Used in) Capital and Related Financing Activities	—	—	(12,086)	(12,086)
Cash Flows from Investing Activities:				
Purchase of Investments	(88,979)	—	—	(88,979)
Interest and Dividends Received	93,409	—	279	93,688
Other Investing Activities	—	13,708	—	13,708
Net Cash Provided by (Used in) Investing Activities	4,430	13,708	279	18,417
Net Increase (Decrease) in Cash and Cash Equivalents	11	(10)	(5,951)	(5,950)
Cash and Cash Equivalents, July 1 - Restated (Note 3)	172	487	146,896	147,555
Cash and Cash Equivalents, June 30	$ 183	$ 477	$ 140,945	$ 141,605
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Operating Income	$ (4,426)	$ 670	$ 26,692	$ 22,936
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation/Amortization Expense	—	—	11,015	11,015
Other	—	(680)	—	(680)
Changes in Assets and Liabilities:				
Deferred Inflows of Resources:				
Accounts Receivable	—	12	(3,385)	(3,373)
Due from Other Funds	8	—	104	112
Net OPEB Asset	—	—	(116)	(116)
Deferred Outflows of Resources	—	—	(394)	(394)
Accounts Payable and Other Accruals	(1)	(12)	1,895	1,882
Unearned Revenue	—	—	(1,517)	(1,517)
Net OPEB Liability	—	—	2,186	2,186
Net Pension Liability	—	—	580	580
Deferred Inflows of Resources	—	—	(615)	(615)
Net Cash Provided by (Used in) Operating Activities	$ (4,419)	$ (10)	$ 36,445	$ 32,016
Noncash Investing, Capital, and Financing Activities:				
Special Item - Equipment-Capital Asset Transfer	$ —	$ —	$ (92,293)	$ (92,293)
Other	—	—	(13,341)	(13,341)
Total Noncash Investing, Capital and Financing Activities	$ —	$ —	$ (105,634)	$ (105,634)

INTERNAL SERVICE FUNDS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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, 2021
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 4,668	$ 51	$ 4,109
Pooled Investments with State Treasury	561	35,797	1,065
Investments	—	—	—
Accounts Receivable (Net)	1,214	627	2,939
Due from Other Funds	284	—	1,331
Due from Component Units	—	—	—
Inventories	—	555	19,041
Other Assets	—	146	2
Total Current Assets	6,727	37,176	28,487
Noncurrent Assets:			
Investments	—	—	—
Restricted Assets:			
Net OPEB Asset	303	721	934
Capital Assets:			
Construction in Progress	—	375	6,494
Land	—	21,883	—
Buildings and Building Improvements	—	654,179	12,923
Improvements Other Than Buildings	—	28,393	—
Machinery and Equipment	—	11,149	31,357
Software	—	—	—
Works of Art and Collections	—	1,274	—
Accumulated Depreciation	—	(361,051)	(36,153)
Total Noncurrent Assets	303	356,923	15,555
Total Assets	7,030	394,099	44,042
Deferred Outflows of Resources	1,639	3,349	4,545
Liabilities			
Current Liabilities:			
Cash Overdraft	—	—	—
Accounts Payable and Other Accruals	295	2,628	2,679
Due to Other Funds	14	769	504
Unearned Revenue	—	101	—
Notes and Loans Payable	—	—	—
Claims and Judgments Payable	—	—	—
Compensated Absences Payable	—	808	444
Capital Leases Payable	—	3,424	301
Other Current Liabilities	839	—	—
Total Current Liabilities	1,148	7,730	3,928
Noncurrent Liabilities:			
Compensated Absences Payable	—	—	1,178
Capital Leases Payable	—	26,505	559
Notes and Loans Payable	—	—	—
Net OPEB Liability	1,085	2,801	3,395
Net Pension Liability	5,257	11,174	13,365
Total Noncurrent Liabilities	6,342	40,480	18,497
Total Liabilities	7,490	48,210	22,425
Deferred Inflows of Resources	1,179	2,950	3,589
Net Position			
Net Investment in Capital Assets	—	326,272	13,761
Restricted for:			
Other Purpose	—	761	896
Unrestricted	—	19,255	7,916
Total Net Position	$ —	$ 346,288	$ 22,573

Risk Management (see combining)	Georgia Technology Authority	Total
$ —	$ 7,743	$ 16,571
59,209	60,318	156,950
19,490	—	19,490
109,204	1,826	115,810
901,512	26,559	929,686
—	68	68
—	—	19,596
1,600	366	2,114
1,091,015	96,880	1,260,285
2,436	—	2,436
139	2,063	4,160
—	—	6,869
—	13	21,896
—	13,230	680,332
—	—	28,393
—	32,031	74,537
—	55,079	55,079
—	—	1,274
—	(98,203)	(495,407)
2,575	4,213	379,569
1,093,590	101,093	1,639,854
610	5,970	16,113
1,074	—	1,074
5,946	35,433	46,981
—	—	1,287
—	—	101
—	4,024	4,024
1,034,656	—	1,034,656
—	935	2,187
—	2,633	6,358
22	577	1,438
1,041,698	43,602	1,098,106
—	1,802	2,980
—	—	27,064
—	697	697
497	5,327	13,105
1,966	22,156	53,918
2,463	29,982	97,764
1,044,161	73,584	1,195,870
527	6,191	14,436
—	(2,203)	337,830
38	2,081	3,776
49,474	27,410	104,055
$ 49,512	$ 27,288	$ 445,661

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Operating Revenues:			
Operating Contributions/Premiums	$ —	$ —	$ —
Operating Grants	—	—	—
Rents and Royalties	—	40,961	—
Sales and Services	6,419	2,558	69,138
Other	1,339	141	10
Total Operating Revenues	7,758	43,660	69,148
Operating Expenses:			
Personal Services	4,852	10,891	13,727
Services and Supplies	8,567	31,102	54,463
Claims and Judgments	—	—	—
Depreciation	—	19,774	1,535
Other	—	34	—
Total Operating Expenses	13,419	61,801	69,725
Operating Income (Loss)	(5,661)	(18,141)	(577)
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	2	48	1
Nonoperating Grants & Contributions	35,204	2,038	—
Other	(35,320)	(14,461)	208
Total Nonoperating Revenues (Expenses)	(114)	(12,375)	209
Income (Loss) Before Contributions and Transfers	(5,775)	(30,516)	(368)
Capital Contributions	—	3,996	—
Transfers:			
Transfers In	5,775	—	—
Transfers Out	—	—	—
Net Transfers	5,775	—	—
Change in Net Position	—	(26,520)	(368)
Net Position, July 1 (restated)	—	372,808	22,941
Net Position, June 30	$ —	$ 346,288	$ 22,573

Risk Management (see combining)	Georgia Technology Authority	Total
$ 195,388	$ —	$ 195,388
10,335	1,274	11,609
—	—	40,961
196	231,662	309,973
—	—	1,490
205,919	232,936	559,421
2,340	20,181	51,991
44,379	208,968	347,479
166,976	—	166,976
—	1,082	22,391
—	—	34
213,695	230,231	588,871
(7,776)	2,705	(29,450)
5,322	51	5,424
—	—	37,242
3,945	—	(45,628)
9,267	51	(2,962)
1,491	2,756	(32,412)
—	5,803	9,799
4,130	—	9,905
—	(2,851)	(2,851)
4,130	(2,851)	7,054
5,621	5,708	(15,559)
43,891	21,580	461,220
$ 49,512	$ 27,288	$ 445,661

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	Department of Administrative Services	Georgia Building Authority	Georgia Correctional Industries Administration
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 106	$ 39,252	$ 14,746
Cash Received from Other Funds (Internal Activity)	9,640	4,498	56,051
Cash Paid to Vendors	(8,881)	(30,639)	(53,797)
Cash Paid to Employees	(4,749)	(12,422)	(14,809)
Cash Paid for Claims and Judgments	—	—	—
Other Operating Receipts	295	—	—
Net Cash Provided by (Used in) Operating Activities	(3,589)	689	2,191
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	5,775	—	—
Other Noncapital Receipts	35,204	2,038	97
Other Noncapital Payments	(35,313)	—	—
Net Cash Provided by (Used in) Noncapital Financing Activities	5,666	2,038	97
Cash Flows from Capital and Related Financing Activities:			
Capital Contributions	—	3,996	—
Proceeds from Sale of Capital Assets	—	5,252	113
Proceeds from Capital Debt	—	9,357	—
Acquisition and Construction of Capital Assets	—	(24,384)	(3,018)
Principal Paid on Capital Debt	—	—	516
Net Cash Used in Capital and Related Financing Activities	—	(5,779)	(2,389)
Cash Flows from Investing Activities:			
Proceeds from Sales of Investments	—	—	—
Purchase of Investments	—	—	—
Interest and Dividends Received	2	48	1
Other Investing Activities	—	—	—
Net Cash Provided by Investing Activities	2	48	1
Net Increase (Decrease) in Cash and Cash Equivalents	2,079	(3,004)	(100)
Cash and Cash Equivalents, July 1	3,150	38,852	5,274
Cash and Cash Equivalents, June 30	$ 5,229	$ 35,848	$ 5,174

Risk Management (see combining)	Georgia Technology Authority	Total
$ 33,892	$ 58,972	$ 146,968
157,729	170,668	398,586
(39,003)	(210,976)	(343,296)
(3,942)	(23,701)	(59,623)
(155,956)	—	(155,956)
—	420	715
(7,280)	(4,617)	(12,606)
4,135	—	9,910
3,940	—	41,279
—	(3,942)	(39,255)
8,075	(3,942)	11,934
—	5,803	9,799
—	—	5,365
—	—	9,357
—	(2,855)	(30,257)
—	(2,064)	(1,548)
—	884	(7,284)
32,980	—	32,980
(14,218)	—	(14,218)
95	50	196
(2,480)	—	(2,480)
16,377	50	16,478
17,172	(7,625)	8,522
40,963	75,686	163,925
$ 58,135	$ 68,061	$ 172,447

(continued)

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(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)	$ (5,661)	$ (18,141)	$ (577)
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Depreciation Expense	—	19,774	1,535
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Accounts Receivable	(1,168)	(137)	974
Due from Other Funds	3,156	230	675
Due from Component Units	—	—	—
Other Assets	(26)	59	(62)
Net OPEB Asset	—	59	3,021
Deferred Outflows of Resources	241	(265)	(213)
Accounts Payable and Other Accruals	(313)	459	(2,874)
Due to Other Funds	—	(22)	501
Unearned Revenue	—	(4)	—
Claims and Judgments Payable	—	—	—
Compensated Absences Payable	—	27	(11)
Net OPEB Liability	(32)	(184)	(85)
Net Pension Liability	505	527	1,129
Other Liabilities	298	—	—
Deferred Inflows of Resources	(589)	(1,693)	(1,822)
Net Cash Provided by (Used in) Operating Activities	$ (3,589)	$ 689	$ 2,191
Noncash Investing, Capital, and Financing Activities:			
Change in Fair Value of Investments	$ —	$ —	$ —

Risk Management (see combining)	Georgia Technology Authority	Total
$ (7,776)	$ 2,705	$ (29,450)
—	1,082	22,391
(11,363)	(29)	(11,723)
(2,938)	(3,238)	(2,115)
—	(31)	(31)
(12)	9	(32)
(1,596)	(364)	1,120
108	489	360
5,434	(1,641)	1,065
(6)	—	473
—	—	(4)
11,019	—	11,019
—	72	88
(8)	(594)	(903)
168	398	2,727
(57)	420	661
(253)	(3,895)	(8,252)
$ (7,280)	$ (4,617)	$ (12,606)
$ 7,706	$ —	$ 7,706

Combining Statement of Net Position
Internal Service Funds
Risk Management
June 30, 2021
(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	1,375	10,496	21,760
Investments	478	3,648	6,473
Accounts Receivable (Net)	35	33,172	601
Due From Other Funds	—	200,431	—
Other Assets	—	—	1,147
Total Current Assets	1,888	247,747	29,981
Noncurrent Assets:			
Investments	60	456	809
Restricted Assets:			
Net OPEB Asset	—	43	37
Total Noncurrent Assets	60	499	846
Total Assets	1,948	248,246	30,827
Deferred Outflows of Resources	—	204	145
Liabilities			
Current Liabilities:			
Cash Overdraft	38	292	3,656
Accounts Payable and Other Accruals	90	2,325	—
Claims and Judgments Payable	—	244,791	8,359
Other Current Liabilities	—	6	4
Total Current Liabilities	128	247,414	12,019
Noncurrent Liabilities:			
Net OPEB Liability	—	152	132
Net Pension Liability	—	722	504
Total Noncurrent Liabilities	—	874	636
Total Liabilities	128	248,288	12,655
Deferred Inflows of Resources	—	162	140
Net Position			
Restricted for:			
Other Purpose	—	—	36
Unrestricted	1,820	—	18,141
Total Net Position	$ 1,820	$ —	$ 18,177

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ 3,941	$ —	$ —	$ —	$ 3,941
—	2,577	19,776	3,225	59,209
—	896	6,874	1,121	19,490
—	—	3,641	71,755	109,204
—	—	—	701,081	901,512
—	—	4	449	1,600
3,941	3,473	30,295	777,631	1,094,956
—	112	859	140	2,436
1	—	1	57	139
1	112	860	197	2,575
3,942	3,585	31,155	777,828	1,097,531
6	—	4	251	610
—	72	550	407	5,015
1	—	3,530	—	5,946
1,544	4	3,427	776,531	1,034,656
—	—	1	11	22
1,545	76	7,508	776,949	1,045,639
4	—	4	205	497
17	—	15	708	1,966
21	—	19	913	2,463
1,566	76	7,527	777,862	1,048,102
4	—	4	217	527
1	—	1	—	38
2,377	3,509	23,627	—	49,474
$ 2,378	$ 3,509	$ 23,628	$ —	$ 49,512

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Risk Management
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

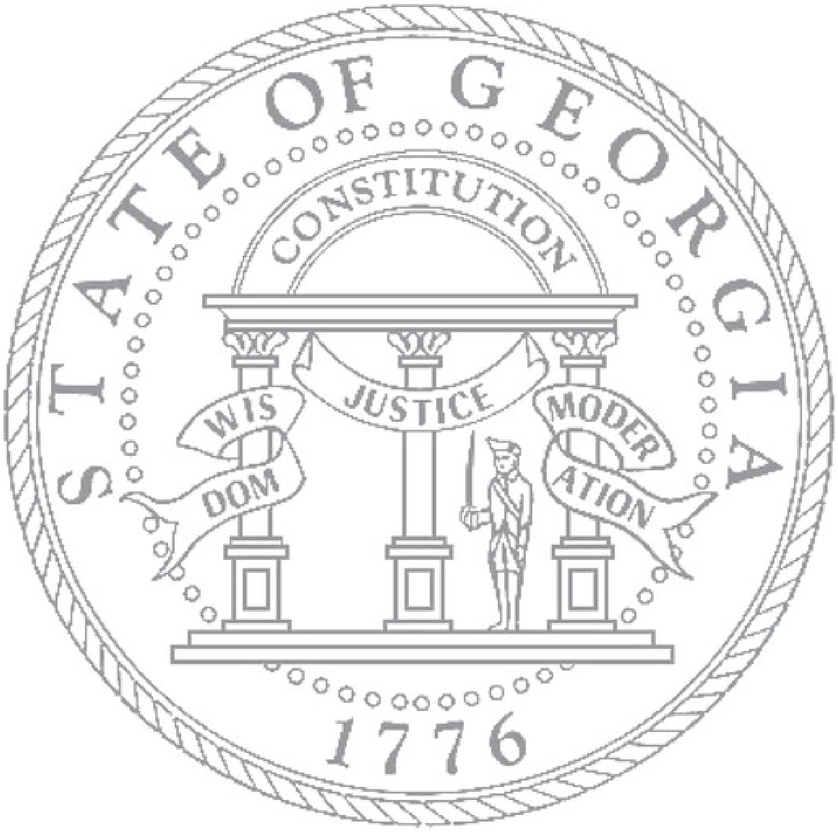
	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Operating Revenues:			
Operating Contributions/Premiums	$ 2,320	$ 59,349	$ 19,983
Operating Grants	—	—	—
Sales and Services	—	—	—
Total Operating Revenues	2,320	59,349	19,983
Operating Expenses:			
Personal Services	16	476	525
Services and Supplies	1,788	6,274	25,279
Claims and Judgments	—	53,638	3,929
Total Operating Expenses	1,804	60,388	29,733
Operating Income (Loss)	516	(1,039)	(9,750)
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	129	1,039	1,697
Other	—	—	—
Total Nonoperating Revenues (Expenses)	129	1,039	1,697
Income (Loss) Before Transfers	645	—	(8,053)
Transfers:			
Transfers In	—	—	—
Net Transfers	—	—	—
Change in Net Position	645	—	(8,053)
Net Position, July 1 - (restated)	1,175	—	26,230
Net Position, June 30	$ 1,820	$ —	$ 18,177

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ —	$ —	$ 3,915	$ 109,821	$ 195,388
—	—	9,390	945	10,335
196	—	—	—	196
196	—	13,305	110,766	205,919
17	—	80	1,226	2,340
—	—	3,530	7,508	44,379
1,450	—	670	107,289	166,976
1,467	—	4,280	116,023	213,695
(1,271)	—	9,025	(5,257)	(7,776)
2	239	1,849	367	5,322
5	—	50	3,890	3,945
7	239	1,899	4,257	9,267
(1,264)	239	10,924	(1,000)	1,491
3,130	—	—	1,000	4,130
3,130	—	—	1,000	4,130
1,866	239	10,924	—	5,621
512	3,270	12,704	—	43,891
$ 2,378	$ 3,509	$ 23,628	$ —	$ 49,512

Combining Statement of Cash Flows
Internal Service Funds
Risk Management
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	Cyber Liability Insurance Fund	Liability Insurance Fund	Property Insurance Fund
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 391	$ 7,731	$ 3,608
Cash Received from Other Funds (Internal Activity)	1,894	38,807	17,494
Cash Paid to Vendors	(1,749)	(4,153)	(25,316)
Cash Paid to Employees	(16)	(475)	(1,674)
Cash Paid for Claims and Judgments	—	(35,410)	(16,656)
Net Cash Provided by (Used in) Operating Activities	520	6,500	(22,544)
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	—	—	—
Other Noncapital Receipts	—	—	—
Net Cash Provided by (Used in) Noncapital Financing Activities	—	—	—
Cash Flows from Investing Activities:			
Proceeds from Sales and Maturities of Investments	510	2,815	19,160
Purchase of Investments	(414)	(3,133)	(3,435)
Interest and Dividends Received	5	68	—
Other Investing Activities	—	—	(2,150)
Net Cash Provided by (Used in) Investing Activities	101	(250)	13,575
Net Increase (Decrease) in Cash and Cash Equivalents	621	6,250	(8,969)
Cash and Cash Equivalents, July 1	716	3,954	27,073
Cash and Cash Equivalents, June 30	$ 1,337	$ 10,204	$ 18,104
Reconciliation of Operating Income (Loss) to Net Cash provided by (Used in) Operating Activities:			
Operating Income (Loss)	$ 516	$ (1,039)	$ (9,750)
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	(35)	(14,130)	1,119
Due from Other Funds	—	1,319	—
Net OPEB Asset	—	(4)	(3)
Other Assets	—	—	(1,147)
Deferred Outflows of Resources	—	31	29
Accounts Payable and Other Accruals	88	2,129	(35)
Due to Other Funds	—	—	—
Claims and Judgments Payable	—	18,228	(12,728)
Net OPEB Liability	—	(4)	(4)
Net Pension Liability	—	62	43
Other Liabilities	(49)	(10)	(1)
Deferred Inflows of Resources	—	(82)	(67)
Net Cash Provided by (Used in) Operating Activities	$ 520	$ 6,500	$ (22,544)
Noncash Investing Activities:			
Change in Fair Value of Investments	$ 124	$ 971	$ 3,847

State Indemnification Fund	Teacher Indemnification Fund	Unemployment Compensation Fund	Workers' Compensation Fund	Total
$ 34	$ —	$ 2,284	$ 19,844	$ 33,892
163	—	7,554	91,817	157,729
—	—	—	(7,785)	(39,003)
(16)	—	(84)	(1,677)	(3,942)
(982)	(15)	(6,630)	(96,263)	(155,956)
(801)	(15)	3,124	5,936	(7,280)
3,135	—	—	1,000	4,135
—	—	50	3,890	3,940
3,135	—	50	4,890	8,075
—	1,372	9,123	—	32,980
—	(725)	(5,598)	(913)	(14,218)
2	—	—	20	95
—	(44)	(286)	—	(2,480)
2	603	3,239	(893)	16,377
2,336	588	6,413	9,933	17,172
1,605	1,917	12,813	(7,115)	40,963
$ 3,941	$ 2,505	$ 19,226	$ 2,818	$ 58,135
$ (1,271)	$ —	$ 9,025	$ (5,257)	$ (7,776)
—	—	(3,469)	5,152	(11,363)
—	—	—	(4,257)	(2,938)
—	—	—	(5)	(12)
—	—	—	(449)	(1,596)
1	—	1	46	108
1	—	3,529	(278)	5,434
—	—	—	(6)	(6)
469	(15)	(5,961)	11,026	11,019
—	—	—	—	(8)
1	—	1	61	168
—	—	—	3	(57)
(2)	—	(2)	(100)	(253)
$ (801)	$ (15)	$ 3,124	$ 5,936	$ (7,280)
$ —	$ 282	$ 2,135	$ 347	$ 7,706


STATE OF GEORGIA
CONSTITUTION
WISDOM
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MODERATION
1776

FIDUCIARY FUNDS


STATE OF GEORGIA
CONSTITUTION
WISDOM
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MODERATION
1776

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** 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** 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** 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** 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** (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.

The **Teachers Retirement System** 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 Postemployment 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 Postemployment 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.

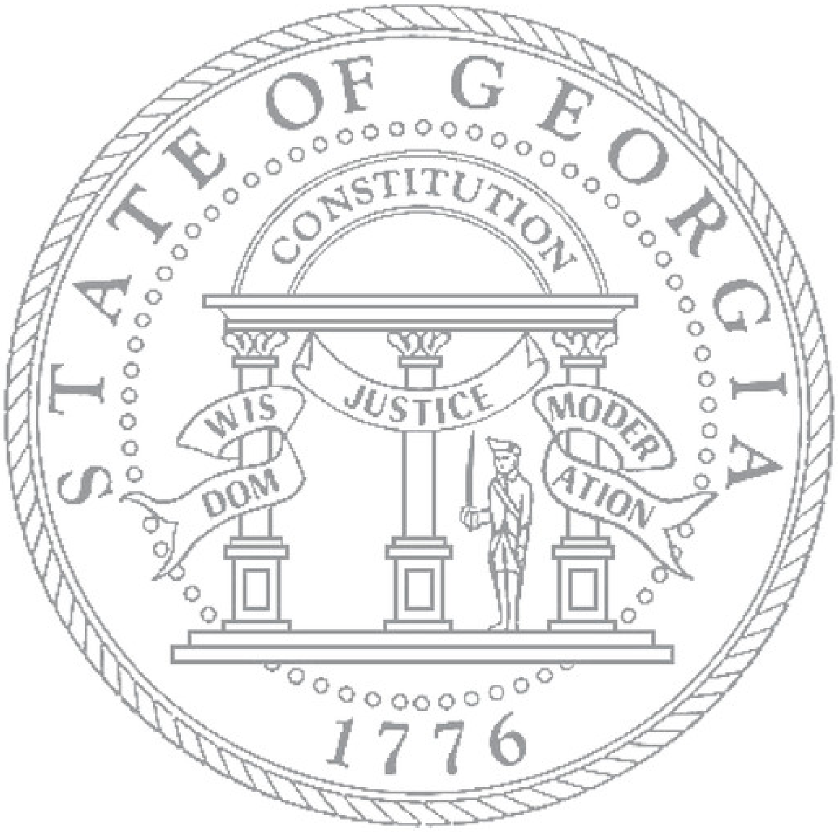
Revenue Tax Collections for Local Governments Fund is used to account for the collection and disbursement of sales taxes at the Georgia Department of Revenue on behalf of county and municipal governments. This fund includes activity for Education Local Option Sales Tax, Homestead Option Sales Tax, Local 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, 2021
(amounts in thousands)

	Defined Contribution Plans				
			Deferred Compensation Plans		
	Defined Benefit Pension Plans (see combining)	Georgia Defined Contribution Plan	State of Georgia 401 (K) Plan	State of Georgia 457 Plan	Regents 457 (F) Plan
Assets					
Cash and Cash Equivalents	$ 3,122,274	$ 19,379	$ 20,639	$ 1,413	$ 233
Pooled Investments with State Treasury	—	—	—	—	—
Receivables, Net					
Interest and Dividends	217,361	411	3	1	—
Due from Brokers for Securities Sold	21,034	—	—	—	—
Other	287,812	907	4,429	657	—
Due from Other Funds	—	—	—	—	—
Investments					
Pooled Investments	18,015,214	—	—	—	—
Mutual Funds	560,519	—	1,669,033	761,263	3,811
Municipal, U.S. and Foreign Government Obligations	19,574,496	98,615	—	—	—
Corporate Bonds/Notes/Debentures	6,747,320	21,449	—	—	259
Stocks	74,565,442	—	21,192	12,669	—
Asset-backed Securities	44,593	—	—	—	—
Exchange Traded Funds	1,813	—	—	—	—
Mortgage Investments	106,311	—	—	—	—
Real Estate Investment Trusts	138,988	—	—	—	202
Capital Assets					
Land	8,883	—	—	—	—
Buildings	7,793	—	—	—	—
Software	30,800	—	—	—	—
Machinery and Equipment	5,398	—	—	—	—
Works of Art	114	—	—	—	—
Accumulated Depreciation	(37,149)	—	—	—	—
Net OPEB Asset	3,494	—	—	—	—
Total Assets	123,422,510	140,761	1,715,296	776,003	4,505
Deferred Outflows of Resources	10,323	—	—	—	—
Liabilities					
Accounts Payable and Other Accruals	40,347	525	2,623	1,330	—
Due to Other Funds	482	—	—	—	—
Due to Brokers for Securities Purchased	19,700	—	—	—	—
Benefits Payable	—	—	—	—	—
Unearned Revenue	9	—	—	—	—
Compensated Absences Payable	80	—	—	—	—
Net OPEB Liability	10,577	—	—	—	—
Net Pension Liability	30,500	—	—	—	—
Total Liabilities	101,695	525	2,623	1,330	—
Deferred Inflows of Resources	10,867	—	—	—	—
Net Position					
Restricted for:					
Pension Benefits	123,320,271	140,236	1,712,673	774,673	4,505
Other Postemployment Benefits	—	—	—	—	—
Total Net Position	$ 123,320,271	$ 140,236	$ 1,712,673	$ 774,673	$ 4,505

Other Post Employment Benefit Plans				
Board of Regents Retiree Health Benefit Fund	Georgia State Employees Postemployment Health Benefit Fund	Georgia School Personnel Postemployment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
$ 5,039	$ 2,797	$ 898	$ 431	$ 3,173,103
—	882,059	326,125	—	1,208,184
—	614	224	—	218,614
—	—	—	—	21,034
209	2,373	4,670	—	301,057
—	8,219	20,066	412	28,697
—	—	—	1,566,393	19,581,607
173,592	—	—	—	3,168,218
—	—	—	—	19,673,111
—	—	—	—	6,769,028
21,185	1,054,004	384,565	—	76,059,057
—	—	—	—	44,593
—	—	—	—	1,813
—	—	—	—	106,311
—	—	—	—	139,190
—	—	—	—	8,883
—	—	—	—	7,793
—	—	—	—	30,800
—	—	—	—	5,398
—	—	—	—	114
—	—	—	—	(37,149)
—	—	—	—	3,494
200,025	1,950,066	736,548	1,567,236	130,512,950
—	—	—	—	10,323
—	230	293	415	45,763
—	—	—	—	482
—	—	—	—	19,700
4,726	11,326	26,956	—	43,008
—	66	257	—	332
—	—	—	—	80
—	—	—	—	10,577
—	—	—	—	30,500
4,726	11,622	27,506	415	150,442
—	—	—	—	10,867
—	—	—	—	125,952,358
195,299	1,938,443	709,042	1,566,821	4,409,605
$ 195,299	$ 1,938,443	$ 709,042	$ 1,566,821	$ 130,361,963

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	Defined Benefit Pension Plans (see combining)	Defined Contribution Plans: Georgia Defined Contribution Plan	Deferred Compensation Plans: State of Georgia 401 (K) Plan	Deferred Compensation Plans: State of Georgia 457 Plan	Deferred Compensation Plans: Regents 457 (F) Plan
Additions:					
Contributions					
Employer	$ 3,112,164	$ —	$ 52,023	$ —	$ 689
Fees	475	—	—	—	—
Insurance Premiums	—	—	—	—	—
NonEmployer	114,112	—	—	—	—
Plan Members	869,322	15,759	132,123	19,566	—
Miscellaneous	1,299	—	567	61	—
Interest and Other Investment Income					
Dividends and Interest	2,037,913	2,508	300	1,004	264
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	26,114,672	(4,304)	373,815	162,826	549
Less: Investment Expense	(95,346)	(71)	(2,340)	(872)	(3)
Transfers from Other Funds	2,857	—	—	—	—
Total Additions	32,157,468	13,892	556,488	182,585	1,499
Deductions:					
Distributions					
Benefits	7,101,579	9	127,352	52,207	—
General and Administrative Expenses	30,748	902	3,554	671	—
Pool Participant Withdrawals	—	—	—	—	94
Refunds	78,063	10,701	—	—	—
Total Deductions	7,210,390	11,612	130,906	52,878	94
Net Increase (Decrease) in Fiduciary Net Position	24,947,078	2,280	425,582	129,707	1,405
Net Position, July 1	98,373,193	137,956	1,287,091	644,966	3,100
Net Position, June 30	$ 123,320,271	$ 140,236	$ 1,712,673	$ 774,673	$ 4,505

Other Post Employment Benefit Plans				
Board of Regents Retiree Health Benefit Fund	Georgia State Employees Postemployment Health Benefit Fund	Georgia School Personnel Postemployment Health Benefit Fund	State Employees' Assurance Department - OPEB	Total
$ 117,381	$ 151,709	$ 371,855	$ —	$ 3,805,821
—	—	—	—	475
—	—	—	2,817	2,817
—	—	—	—	114,112
—	—	—	—	1,036,770
—	—	—	—	1,927
13,008	21,663	7,944	25,990	2,110,594
7,430	249,568	89,915	338,095	27,332,566
(179)	(428)	(155)	(1,422)	(100,816)
—	—	—	—	2,857
137,640	422,512	469,559	365,480	34,307,123
101,370	150,033	367,776	54,680	7,955,006
949	1,557	3,758	697	42,836
—	—	—	—	94
—	—	—	—	88,764
102,319	151,590	371,534	55,377	8,086,700
35,321	270,922	98,025	310,103	26,220,423
159,978	1,667,521	611,017	1,256,718	104,141,540
$ 195,299	$ 1,938,443	$ 709,042	$ 1,566,821	$ 130,361,963

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
June 30, 2021
(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Assets				
Cash and Cash Equivalents	$ 400,691	$ 53,183	$ 663	$ 15,393
Receivables				
Interest and Dividends	—	2,609	—	777
Due from Brokers for Securities Sold	—	2,082	—	357
Other	35,184	—	644	1
Investments				
Pooled Investments	16,128,480	—	604,938	81,454
Mutual Funds	—	427,139	—	133,380
Municipal, U.S. and Foreign Government Obligations	—	47,624	—	50,764
Corporate Bonds/Notes/Debentures	—	105,794	—	49,105
Stocks	—	404,167	—	246,486
Asset-backed Securities	—	16,659	—	6,838
Exchange Traded Funds	—	—	—	1,813
Mortgage Investments	—	92,601	—	5,206
Real Estate Investment Trusts	—	56,325	—	1,049
Capital Assets				
Land	4,350	85	—	—
Buildings	2,800	1,535	—	—
Software	14,345	—	—	—
Machinery and Equipment	2,085	111	—	—
Works of Art	—	114	—	—
Accumulated Depreciation	(17,192)	(823)	—	—
Net OPEB Asset	602	—	—	—
Total Assets	16,571,345	1,209,205	606,245	592,623
Deferred Outflow of Resources	764	—	—	—
Liabilities				
Accounts Payable and Other Accruals	19,355	3,083	811	1,191
Due to Other Funds	466	7	8	1
Due to Brokers for Securities Purchased	—	3,773	—	—
Unearned Revenue	—	—	—	9
Compensated Absences Payable	—	80	—	—
Net OPEB Liability	2,156	—	—	—
Net Pension Liability	—	—	—	—
Total Liabilities	21,977	6,943	819	1,201
Deferred Inflow of Resources	2,227	—	—	—
Net Position				
Restricted for Pension Benefits	$ 16,547,905	$ 1,202,262	$ 605,426	$ 591,422

Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System	Total
$ 28,711	$ 232	$ 2,623,401	$ 3,122,274
1,893	—	212,082	217,361
5,590	—	13,005	21,034
—	293	251,690	287,812
—	1,200,342	—	18,015,214
—	—	—	560,519
119,013	—	19,357,095	19,574,496
86,407	—	6,506,014	6,747,320
726,264	—	73,188,525	74,565,442
21,096	—	—	44,593
—	—	—	1,813
8,504	—	—	106,311
31,164	—	50,450	138,988
98	—	4,350	8,883
658	—	2,800	7,793
1,475	—	14,980	30,800
65	—	3,137	5,398
—	—	—	114
(505)	—	(18,629)	(37,149)
—	—	2,892	3,494
1,030,433	1,200,867	102,211,792	123,422,510
—	—	9,559	10,323
1,101	897	13,909	40,347
—	—	—	482
2,734	—	13,193	19,700
—	—	—	9
—	—	—	80
—	—	8,421	10,577
—	—	30,500	30,500
3,835	897	66,023	101,695
—	—	8,640	10,867
$ 1,026,598	$ 1,199,970	$ 102,146,688	$ 123,320,271

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, 2021
(amounts in thousands)

	Employees' Retirement System	Firefighters' Pension Fund	Georgia Judicial Retirement System	Other Defined Benefit Plans (see combining)
Additions:				
Contributions/Assessments				
Employer	$ 606,893	$ —	$ 3,830	$ 11,174
Fees	—	472	—	3
NonEmployer	9,048	43,268	2,240	7,145
Plan Members	35,027	4,065	5,190	930
Miscellaneous	—	960	—	67
Interest and Other Investment Income				
Dividends and Interest	275,613	16,381	10,037	27,769
Net Appreciation (Depreciation) in				
Investments Reported at Fair Value	3,585,422	277,158	130,575	68,562
Less: Investment Expense	(17,454)	(5,641)	(509)	(2,432)
Transfers from Other Funds	36	—	—	2,684
Total Additions	4,494,585	336,663	151,363	115,902
Deductions:				
Distributions				
Benefits	1,434,775	56,856	30,958	35,974
General and Administrative Expenses	7,587	1,487	846	1,180
Refunds	6,604	963	63	172
Total Deductions	1,448,966	59,306	31,867	37,326
Net Increase (Decrease) in Fiduciary Net Position	3,045,619	277,357	119,496	78,576
Net Position, July 1	13,502,286	924,905	485,930	512,846
Net Position, June 30	$ 16,547,905	$ 1,202,262	$ 605,426	$ 591,422

Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Teachers Retirement System	Total
$ —	$ —	$ 2,490,267	$ 3,112,164
—	—	—	475
17,024	30,264	5,123	114,112
4,798	2,222	817,090	869,322
272	—	—	1,299
17,444	19,897	1,670,772	2,037,913
207,726	258,836	21,586,393	26,114,672
(3,879)	(1,027)	(64,404)	(95,346)
—	—	137	2,857
243,385	310,192	26,505,378	32,157,468
42,187	66,415	5,434,414	7,101,579
1,558	1,422	16,668	30,748
462	633	69,166	78,063
44,207	68,470	5,520,248	7,210,390
199,178	241,722	20,985,130	24,947,078
827,420	958,248	81,161,558	98,373,193
$ 1,026,598	$ 1,199,970	$ 102,146,688	$ 123,320,271

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
Defined Benefit Pension Plans
Other Defined Benefit Pension Plans
June 30, 2021
(amounts in thousands)

	District Attorneys Retirement Fund	Augusta University Early Retirement Pension Plan	Judges of the Probate Courts Retirement Fund	Legislative Retirement System	Magistrates Retirement Fund
Assets					
Cash and Cash Equivalents	$ 2	$ 5,789	$ 2,992	$ 78	$ 1,131
Receivables, Net					
Interest and Dividends	—	—	272	—	113
Due from Brokers for Securities Sold	—	—	—	—	—
Other	—	—	—	1	—
Investments					
Pooled Investments	—	—	—	42,744	—
Mutual Funds	—	81,993	—	—	—
Municipal, U.S. and Foreign Government Obligations	—	—	8,145	—	5,058
Corporate Bonds/Notes/Debentures	—	—	10,810	—	6,297
Stocks	—	43,828	74,583	—	20,192
Asset-backed Securities	—	—	3,647	—	—
Exchange Traded Funds	—	—	—	—	111
Mortgage Investments	—	—	—	—	813
Real Estate Investment Trusts	—	—	—	—	47
Total Assets	2	131,610	100,449	42,823	33,762
Liabilities					
Accounts Payable and Other Accruals	—	—	40	109	8
Due to Other Funds	—	—	—	1	—
Unearned Revenue	—	—	—	—	—
Total Liabilities	—	—	40	110	8
Net Position					
Restricted for Pension Benefits	$ 2	$ 131,610	$ 100,409	$ 42,713	$ 33,754

Georgia Military Pension Fund	Sheriffs' Retirement Fund	Superior Court Clerks' Retirement Fund	Superior Court Judges Retirement Fund	Total
$ 52	$ 2,600	$ 2,738	$ 11	$ 15,393
—	—	392	—	777
—	—	357	—	357
—	—	—	—	1
38,710	—	—	—	81,454
—	31,023	20,364	—	133,380
—	10,216	27,345	—	50,764
—	6,840	25,158	—	49,105
—	71,858	36,025	—	246,486
—	—	3,191	—	6,838
—	—	1,702	—	1,813
—	—	4,393	—	5,206
—	—	1,002	—	1,049
38,762	122,537	122,667	11	592,623
85	861	83	5	1,191
—	—	—	—	1
—	9	—	—	9
85	870	83	5	1,201
$ 38,677	$ 121,667	$ 122,584	$ 6	$ 591,422

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, 2021
(amounts in thousands)

	District Attorneys Retirement Fund	Early Retirement Pension Plan - Augusta University	Judges of the Probate Courts Retirement Fund	Legislative Retirement System	Magistrates Retirement Fund
Additions:					
Contributions/Assessments					
Employer	$ 34	$ 10,838	$ —	$ —	$ —
Fees	3	—	—	—	—
NonEmployer	—	—	1,262	—	1,544
Plan Members	—	—	194	290	191
Rebates					
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	1,835	1,813	711	595
Net Appreciation (Depreciation) in					
Investments Reported at Fair Value	—	28,209	5,950	9,255	370
Less: Investment Expense	—	(138)	(721)	(39)	(261)
Transfers from Other Funds	—	—	—	—	—
Total Additions	37	40,744	8,498	10,217	2,439
Deductions:					
Distributions					
Benefits	34	14,277	4,601	1,720	425
General and Administrative Expenses	3	—	137	310	25
Refunds	—	—	—	42	121
Total Deductions	37	14,277	4,738	2,072	571
Net Increase (Decrease) in Fiduciary Net Position	—	26,467	3,760	8,145	1,868
Net Position, July 1	2	105,143	96,649	34,568	31,886
Net Position, June 30	$ 2	$ 131,610	$ 100,409	$ 42,713	$ 33,754

Georgia Military Pension Fund	Sheriffs' Retirement Fund	Superior Court Clerks' Retirement Fund	Superior Court Judges Retirement Fund	Total
$ —	$ —	$ —	$ 302	$ 11,174
—	—	—	—	3
—	1,623	2,716	—	7,145
—	123	132	—	930
—	67	—	—	67
624	18,794	3,394	3	27,769
8,112	13,975	2,691	—	68,562
(26)	(667)	(580)	—	(2,432)
2,684	—	—	—	2,684
11,394	33,915	8,353	305	115,902
1,428	6,675	6,512	302	35,974
256	281	165	3	1,180
—	4	5	—	172
1,684	6,960	6,682	305	37,326
9,710	26,955	1,671	—	78,576
28,967	94,712	120,913	6	512,846
$ 38,677	$ 121,667	$ 122,584	$ 6	$ 591,422

Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2021
(amounts in thousands)

	Georgia Fund 1
Assets	
Pooled Investments with State Treasury	$ 12,301,046
Interest Receivable	1,494
Total Assets	12,302,540
Liabilities	
Accounts Payable and Other Accruals	—
Total Liabilities	—
Net Position	
Restricted for Pool Participants	$ 12,302,540

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Fiscal Year Ended June 30, 2021
(amounts in thousands)

	Georgia Fund 1
Additions:	
Contributions/Assessments	
Pool Participant Deposits	$ 15,374,669
Interest and Other Investment Income	
Dividends and Interest	13,910
Net Appreciation (Depreciation) in Investments	
Reported at Fair Value	—
Less: Investment Expense	(5,049)
Total Additions	15,383,530
Deductions:	
Distributions	
Pool Participant Withdrawals	14,136,123
Change in Net Position Restricted for Pool Participants	1,247,407
Net Position, July 1	11,055,133
Net Position, June 30	$ 12,302,540

Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2021
(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	$ 176	$ —	$ —	$ 1,335	$ 1,511
Pooled Investments with State Treasury	577	2,346	332,527	2,906	338,356
Receivables, Net					
Other	—	—	32,298	—	32,298
Capital Assets					
Buildings	—	—	826	—	826
Machinery and Equipment	—	—	94	—	94
Accumulated Depreciation	—	—	(809)	—	(809)
Net OPEB Asset	—	—	143	—	143
Other Assets	—	8	—	—	8
Total Assets	753	2,354	365,079	4,241	372,427
Deferred Outflows of Resources	—	—	316	—	316
Liabilities					
Accounts Payable and Other Accruals	—	—	—	3	3
Cash Overdraft	—	336	23,813	—	24,149
Compensated Absences Payable	—	—	68	—	68
Net OPEB Liability	—	—	287	—	287
Net Pension Liability	—	—	1,237	—	1,237
Other Liabilities	—	—	243	—	243
Total Liabilities	—	336	25,648	3	25,987
Deferred Inflows of Resources	—	—	358	—	358
Net Position					
Restricted for:					
Other Purposes	753	2,018	339,389	4,238	346,398
Total Net Position	$ 753	$ 2,018	$ 339,389	$ 4,238	$ 346,398

Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2021
(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	$ 34	$ 304	$ —	$ 167	$ 505
Interest and Other Investment Income					
Dividends and Interest	—	2	344	3	349
Total Additions	34	306	344	170	854
Deductions:					
Distributions					
Benefits	—	—	21,833	—	21,833
General and Administrative Expenses	—	89	1,225	21	1,335
Refunds	—	—	10	254	264
Total Deductions	—	89	23,068	275	23,432
Net Increase (Decrease) in Fiduciary Net Position	34	217	(22,724)	(105)	(22,578)
Net Position, July 1	719	1,801	362,113	4,343	368,976
Net Position, June 30	$ 753	$ 2,018	$ 339,389	$ 4,238	$ 346,398

Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
(amounts in thousands)

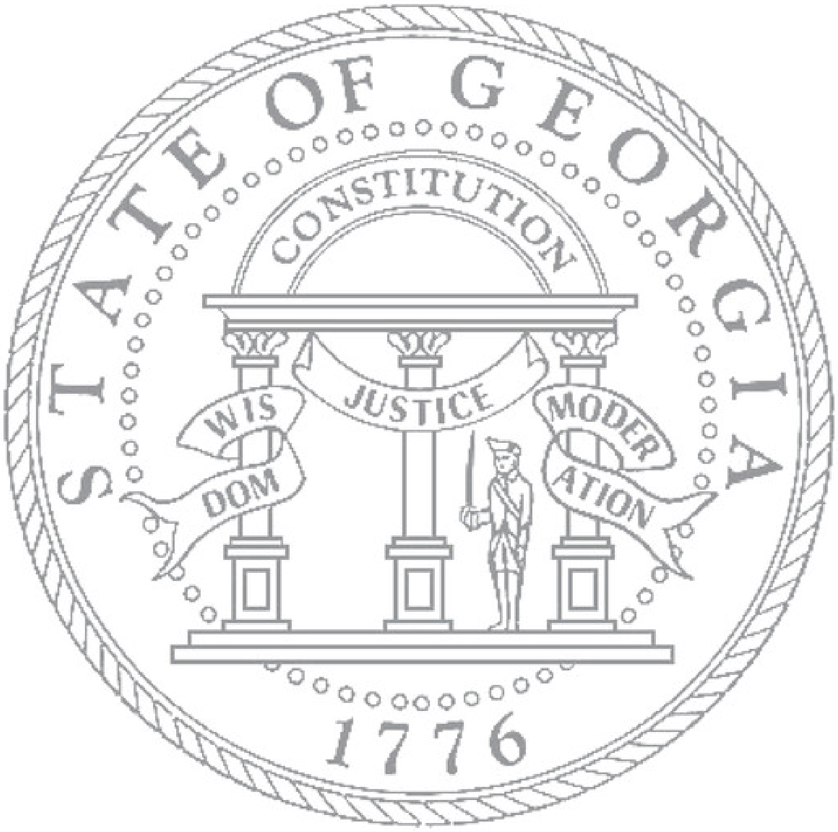
	ARPA NEU for Local Governments	Child Support Recovery Program	Detainees' Accounts	Flexible Benefits Program	Insurance Premium Tax Collections for Local Governments
Assets					
Cash and Cash Equivalents	$ 430,914	$ 44,400	$ 76,025	$ 2,414	$ —
Pooled Investments with State Treasury	—	—	—	11,397	—
Accounts 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	—	—	—	—	—
Stocks	—	—	—	—	—
Other Assets	—	1	—	—	—
Total Assets	430,914	44,401	76,025	13,811	—
Liabilities					
Accounts Payable and Other Accruals	184,149	26	—	4,067	—
Cash Overdraft	—	—	—	—	—
Salaries Payable	—	—	—	—	—
Due to Component Units	—	—	—	—	—
Due to Local Governments	—	—	—	—	—
Unearned Revenue	—	—	—	—	—
Other Liabilities	—	—	—	—	—
Total Liabilities	184,149	26	—	4,067	—
Net Position					
Restricted for:					
Pool Participants	—	—	—	—	—
Individuals, Organizations, and Other Governments	246,765	44,375	76,025	9,744	—
Total Net Position	$ 246,765	$ 44,375	$ 76,025	$ 9,744	$ —

Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	External Investment Pool
$ 62,116	$ 86	$ —	$ 23,254	$ 639,209	$ 1,313
(275)	—	—	15,199	26,321	—
918,374	—	—	—	918,374	—
5,617	—	84,185	371	90,173	—
—	—	—	1,232	1,232	—
—	216,712	—	311	217,023	—
—	—	—	9,537	9,537	55,460
—	—	—	28,696	28,696	—
—	—	—	—	—	15,419
—	—	—	1,087	1,088	—
985,832	216,798	84,185	79,687	1,931,653	72,192
—	—	2,246	4,629	195,117	—
—	—	68,010	—	68,010	—
—	—	—	30	30	—
—	—	225	—	225	—
985,832	—	—	—	985,832	—
—	—	1,248	—	1,248	—
—	—	874	—	874	—
985,832	—	72,603	4,659	1,251,336	—
—	—	—	—	—	72,193
—	216,798	11,582	75,028	680,317	—
$ —	$ 216,798	$ 11,582	$ 75,028	$ 680,317	$ 72,193

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(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	$ —	$ 866,792	$ —	$ —	$ —
Collections for Local Governments	—	—	—	—	740,832
Coronavirus Fiscal Recovery Funds	430,914	—	—	—	—
Detainees' Accounts	—	—	167,092	—	—
Plan Members/Participants	—	—	—	151,221	—
Pool Participant Deposits	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Interest and Other Investment Income					
Dividends and Interest	—	—	—	11	—
Net Appreciation (Depreciation) in Investments Reported at Fair Value	—	—	—	—	—
Less: Investment Expense	—	—	—	—	—
Total Additions	430,914	866,792	167,092	151,232	740,832
Deductions:					
Distributions					
Benefits	—	—	—	149,098	—
Child Support Recovery Program	—	890,877	—	—	—
Detainees' Accounts	—	—	152,570	—	—
Distributions to Local Governments	184,149	—	—	—	740,832
Pool Participant Withdrawals	—	—	—	—	—
Student Financial Aid	—	—	—	—	—
Student Support	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Transfers to Other Funds	—	—	—	5,775	—
Total Deductions	184,149	890,877	152,570	154,873	740,832
Net Increase (Decrease) in Fiduciary Net Position	246,765	(24,085)	14,522	(3,641)	—
Net Position, July 1 (restated)	—	68,460	61,503	13,385	—
Net Position, June 30	$ 246,765	$ 44,375	$ 76,025	$ 9,744	$ —

Revenue Tax Collections for Local Governments	Survivor's Benefit Fund	Student Financial Aid and Support	Other Custodial Funds	Total	External Investment Pool
$ —	$ —	$ —	$ —	$ 866,792	$ —
7,075,248	—	—	—	7,816,080	—
—	—	—	—	430,914	—
—	—	—	—	167,092	—
—	—	—	—	151,221	—
—	—	—	—	—	5,539
—	—	2,199,555	—	2,199,555	—
—	—	106,894	—	106,894	—
—	—	1,639	81,328	82,967	—
—	49,353	1	118	49,483	1,080
—	—	—	(4)	(4)	15,061
—	—	—	(49)	(49)	(70)
7,075,248	49,353	2,308,089	81,393	11,870,945	21,610
—	—	—	—	149,098	—
—	—	—	—	890,877	—
—	—	—	—	152,570	—
7,075,248	—	—	—	8,000,229	—
—	—	—	—	—	15,545
—	—	2,199,129	—	2,199,129	—
—	—	106,459	—	106,459	—
—	—	707	71,545	72,252	—
—	—	—	—	5,775	—
7,075,248	—	2,306,295	71,545	11,576,389	15,545
—	49,353	1,794	9,848	294,556	6,065
—	167,445	9,788	65,180	385,761	66,128
$ —	$ 216,798	$ 11,582	$ 75,028	$ 680,317	$ 72,193


STATE OF GEORGIA
CONSTITUTION
WISDOM
JUSTICE
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NONMAJOR COMPONENT UNITS

STATE OF GEORGIA

CONSTITUTION

WISDOM JUSTICE MODERATION

1776

Description of Nonmajor Component Units

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 **The Atlanta-Region Transit Link Authority (ATL)** 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 **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.

State of Georgia

Combining Statement of Net Position
Nonmajor Component Units
June 30, 2021
(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	$ 3,119	$ 24,659	$ 8,918	$ 387,586	$ 19,900	$ 7,502
Pooled Investments with State Treasury	14,808	158,192	15,839	279	—	—
Investments	—	—	—	62,609	—	15,575
Receivables						
Accounts (Net)	17,161	790	—	328,645	5,523	1,028
Capital Leases from Primary Government	—	—	—	100,436	—	—
Interest and Dividends	—	2,245	—	—	—	—
Notes and Loans (Net)	—	13,671	—	—	—	—
Taxes	—	1,162	—	—	—	—
Due from Primary Government	—	43,825	112	6,810	—	48
Due from Component Units	—	—	—	4,834	—	—
Intergovernmental Receivables	203	11	109	—	—	—
Inventory	—	703	—	—	2,027	—
Other Current Assets	—	89	—	31,032	6	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	97,186	—	—
Investments	—	—	—	143,354	—	—
Other	—	—	—	51,763	—	—
Total Current Assets	35,291	245,347	24,978	1,214,534	27,456	24,153
Noncurrent Assets:						
Investments	—	—	—	470,900	—	—
Receivables						
Capital Leases from Primary Government	—	—	—	2,059,848	—	—
Notes and Loans	—	172,497	—	—	—	—
Other (Net)	—	—	—	33,903	—	—
Restricted Assets						
Cash and Cash Equivalents	—	—	—	253,821	—	—
Investments	—	—	—	2,203,492	—	—
Net OPEB Asset	1	—	—	—	44	567
Receivables						
Other	—	—	—	70,277	—	—
Non-depreciable Capital Assets	—	11,045	—	291,243	1,547	1,479
Depreciable Capital Assets (Net)	—	6,526	—	647,751	88,279	3,923
Other Noncurrent Assets	—	—	—	39,617	—	—
Total Noncurrent Assets	1	190,068	—	6,070,852	89,870	5,969
Total Assets	35,292	435,415	24,978	7,285,386	117,326	30,122
Deferred Outflows of Resources	655	—	—	43,710	25,967	5,594

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
$ 25	$ 20,651	$ 21	$ 32,562	$ 14,867	$ 31,373	$ 551,183
—	2,655	4	20,073	—	7,687	219,537
54,271	406	—	—	—	—	132,861
—	3,222	157	—	2,100	3,879	362,505
—	—	—	—	—	—	100,436
—	—	—	1,546	—	—	3,791
—	—	—	173,951	—	—	187,622
—	—	—	—	—	—	1,162
—	—	—	879	—	—	51,674
—	—	—	30,743	—	—	35,577
—	11,627	22,225	—	—	—	34,175
—	2,484	—	—	—	959	6,173
—	523	—	244	147	1,754	33,795
73	—	—	—	11,730	—	108,989
—	—	—	—	—	—	143,354
—	—	—	—	—	—	51,763
54,369	41,568	22,407	259,998	28,844	45,652	2,024,597
—	—	—	—	—	—	470,900
—	—	—	—	—	—	2,059,848
—	—	—	—	—	4,860	177,357
—	—	—	—	—	—	33,903
—	—	—	—	—	—	253,821
—	—	—	—	—	—	2,203,492
—	66	—	—	151	694	1,523
—	—	—	—	—	—	70,277
—	497	—	586	—	26,985	333,382
—	7,423	—	829	2,725	207,806	965,262
—	—	—	—	—	—	39,617
—	7,986	—	1,415	2,876	240,345	6,609,382
54,369	49,554	22,407	261,413	31,720	285,997	8,633,979
—	50,894	—	—	301	3,012	130,133

(continued)

Combining Statement of Net Position
Nonmajor Component Units
June 30, 2021
(amounts in thousands)

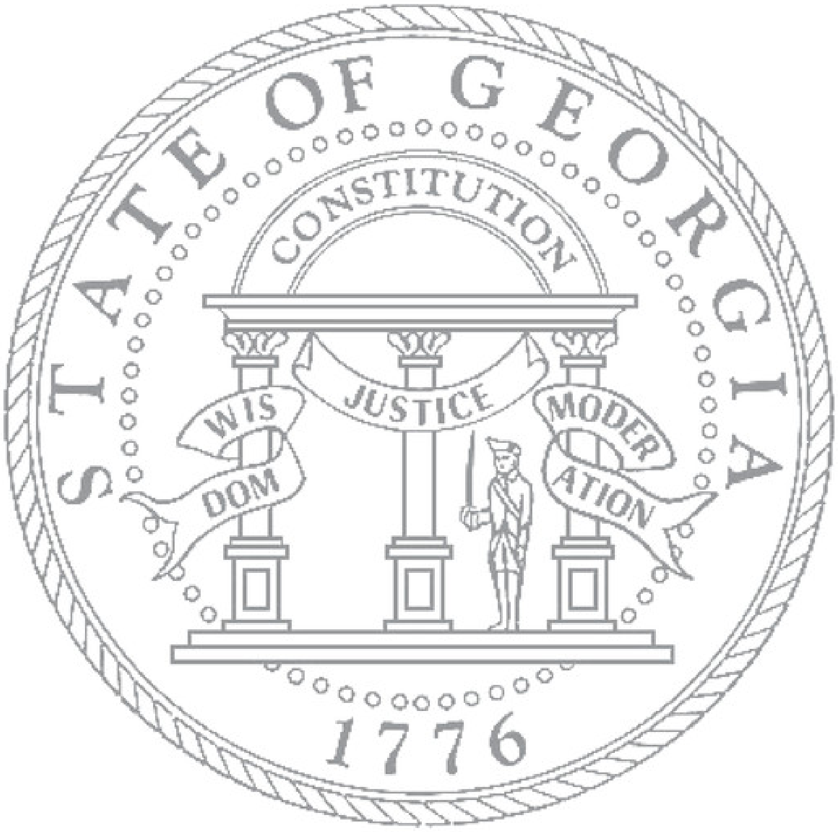
	Atlanta-Region Transit Link Authority	Economic Development Organizations	Georgia Higher Education Assistance Corporation	Higher Education Foundations	Georgia Military College	Georgia Public Telecommunications Commission
Liabilities						
Current Liabilities:						
Accounts Payable and Other Accruals	4,640	10,081	82	66,865	2,909	1,062
Due to Primary Government	—	—	—	425,481	—	—
Due to Component Units	—	—	115	61	—	—
Funds Held for Others	601	—	—	74,726	—	—
Unearned Revenue	—	42	—	162,082	4,195	2,643
Notes and Loans Payable	—	—	—	30,863	—	—
Revenue/Mortgage Bonds Payable	—	—	—	88,073	—	—
Other Current Liabilities	16	3,054	34	27,797	623	466
Current Liabilities Payable from Restricted Assets:						
Other	—	—	—	—	—	—
Total Current Liabilities	5,257	13,177	231	875,948	7,727	4,171
Noncurrent Liabilities:						
Unearned Revenue	—	—	—	13,665	—	—
Notes and Loans Payable	—	—	—	115,750	—	—
Revenue/Mortgage Bonds Payable	—	—	—	2,544,885	—	—
Derivative Instrument Payable	—	—	—	6,432	—	—
Net OPEB Liability	—	—	—	—	35,100	15,128
Net Pension Liability	671	—	—	—	45,653	13,086
Other Noncurrent Liabilities	171	57,633	1,466	88,963	—	656
Total Noncurrent Liabilities	842	57,633	1,466	2,769,695	80,753	28,870
Total Liabilities	6,099	70,810	1,697	3,645,643	88,480	33,041
Deferred Inflows of Resources	3	—	—	—	7,149	2,156
Net Position						
Net Investment in Capital Assets,	—	13,021	—	357,740	89,826	5,402
Restricted for:						
Bond Covenants/Debt Service	—	—	—	29,982	—	—
Capital Projects	—	—	—	223,063	—	—
Permanent Trust Expendable	—	—	—	1,018,920	—	—
Other Purposes	30	82,285	—	99,468	—	—
Nonexpendable:						
Permanent Trust	—	—	—	1,186,618	—	—
Other Purposes	—	—	—	70,000	—	—
Unrestricted	29,815	269,299	23,281	697,662	(42,162)	(4,883)
Total Net Position	$ 29,845	$ 364,605	$ 23,281	$ 3,683,453	$ 47,664	$ 519

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
—	9,687	16,635	187	5,126	2,930	120,204
—	1	—	—	—	6	425,488
30,628	—	—	—	—	—	30,804
—	—	—	—	—	—	75,327
—	141	—	548	—	2,407	172,058
—	297	—	—	—	1,140	32,300
—	525	—	—	—	575	89,173
—	78	1	—	—	498	32,567
—	—	—	—	6,876	—	6,876
30,628	10,729	16,636	735	12,002	7,556	984,797
—	—	—	—	—	—	13,665
—	1,697	—	—	—	4,949	122,396
—	—	—	—	—	4,163	2,549,048
—	—	—	—	—	—	6,432
—	65,437	—	—	285	905	116,855
—	94,439	—	—	1,231	14,326	169,406
—	111	—	3,425	—	831	153,256
—	161,684	—	3,425	1,516	25,174	3,131,058
30,628	172,413	16,636	4,160	13,518	32,730	4,115,855
—	20,574	—	—	352	1,001	31,235
—	7,567	—	1,415	2,725	247,252	724,948
—	—	—	—	—	—	29,982
—	—	—	—	—	—	223,063
—	—	—	—	—	—	1,018,920
23,716	68	—	220,060	—	4,898	430,525
—	—	—	—	—	—	1,186,618
—	—	—	—	—	—	70,000
25	(100,174)	5,771	35,778	15,426	3,128	932,966
$ 23,741	$ (92,539)	$ 5,771	$ 257,253	$ 18,151	$ 255,278	$ 4,617,022

Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2021
(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	$ 36,329	$ 37,534	$ 1,545	$ 1,952,489	$ 92,332	$ 38,452
Program Revenues:						
Sales and Charges for Services	1,127	11,203	2,142	440,254	33,535	7,217
Operating Grants and Contributions	35,545	312	14	2,058,790	53,299	16,766
Capital Grants and Contributions	15,355	396	—	4,808	1,357	2,853
Total Program Revenues	52,027	11,911	2,156	2,503,852	88,191	26,836
Net (Expenses) Revenue	15,698	(25,623)	611	551,363	(4,141)	(11,616)
General Revenues:						
Taxes	—	4,041	—	—	—	—
Unrestricted Investment Income	—	906	—	164,740	—	—
Payments from the Primary Government	12,841	43,825	—	—	—	13,837
Contributions to Permanent Endowments	—	—	—	84,835	—	—
Total General Revenues	12,841	48,772	—	249,575	—	13,837
Change in Net Position	28,539	23,149	611	800,938	(4,141)	2,221
Net Position, July 1 - (Restated)	1,306	341,456	22,670	2,882,515	51,805	(1,702)
Net Position, June 30	$ 29,845	$ 364,605	$ 23,281	$ 3,683,453	$ 47,664	$ 519

REACH Georgia Foundation	Regional Educational Service Agencies	Georgia Regional Transportation Authority	Georgia Student Finance Authority	Superior Court Clerks' Cooperative Authority	Tourism State Attractions	Total
$ 1,147	$ 117,353	$ 29,542	$ 42,924	$ 22,908	$ 55,548	$ 2,428,103
—	24,560	—	41,540	27,172	49,003	637,753
11,644	89,136	34,966	26,000	9	4,797	2,331,278
—	—	—	—	—	2,837	27,606
11,644	113,696	34,966	67,540	27,181	56,637	2,996,637
10,497	(3,657)	5,424	24,616	4,273	1,089	568,534
—	—	—	—	—	3,089	7,130
400	—	—	—	—	—	166,046
—	—	330	—	—	3,150	73,983
—	—	—	—	—	—	84,835
400	—	330	—	—	6,239	331,994
10,897	(3,657)	5,754	24,616	4,273	7,328	900,528
12,844	(88,882)	17	232,637	13,878	247,950	3,716,494
$ 23,741	$ (92,539)	$ 5,771	$ 257,253	$ 18,151	$ 255,278	$ 4,617,022


STATE OF GEORGIA
CONSTITUTION
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STATISTICAL SECTION

MEMORIAL DAY FLYOVER (2020)
Georgia Army National Guardsmen
Marietta-Based 78TH Aviation Troop Command
Atlanta, Georgia
U.S. Army National Guard photo by Spc. Tori Miller, Georgia National Guard

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.

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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)

	2021	2020	2019	2018
Governmental Activities [(1) (3)]				
Net Investment in Capital Assets	$ 23,070,070	$ 21,408,838	$ 20,361,680	$ 19,542,361
Restricted	7,834,065	6,342,472	6,275,129	5,792,152
Unrestricted	(4,264,983)	(7,609,857)	(7,660,565)	(8,506,350)
Total Governmental Activities Net Position	$ 26,639,152	$ 20,141,453	$ 18,976,244	$ 16,828,163
Business-Type Activities [(1) (2)]				
Net Investment in Capital Assets	$ 8,593,594	$ 8,529,759	$ 8,429,136	$ 7,849,961
Restricted	1,689,450	1,872,318	3,349,557	2,955,296
Unrestricted	(6,846,987)	(6,344,267)	(6,201,340)	(6,250,035)
Total Business-type Activities Net Position	$ 3,436,057	$ 4,057,810	$ 5,577,353	$ 4,555,222
Total Primary Government [(1) (2) (3)]				
Net Investment in Capital Assets	$ 28,290,100	$ 26,614,216	$ 25,566,212	$ 24,372,160
Restricted	9,523,515	8,214,790	9,624,686	8,747,448
Unrestricted	(7,738,406)	(10,629,743)	(10,637,301)	(11,736,223)
Total Primary Government Net Position	$ 30,075,209	$ 24,199,263	$ 24,553,597	$ 21,383,385

(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

2017	2016	2015	2014	2013	2012
$ 18,575,368	$ 17,213,380	$ 16,562,899	$ 13,186,605	$ 13,737,276	$ 13,355,209
5,013,504	4,499,014	3,668,030	3,653,903	3,301,316	3,968,493
(5,210,957)	(5,745,504)	(6,914,616)	(1,644,265)	(1,781,096)	(2,456,411)
$ 18,377,915	$ 15,966,890	$ 13,316,313	$ 15,196,243	$ 15,257,496	$ 14,867,291
$ 7,773,009	$ 7,529,660	$ 7,344,726	$ 6,575,166	$ 6,502,029	$ 6,257,436
2,639,561	1,837,521	1,546,723	1,367,598	816,428	457,265
(4,484,701)	(3,857,184)	(3,957,761)	(820,616)	(1,063,406)	(1,293,130)
$ 5,927,869	$ 5,509,997	$ 4,933,688	$ 7,122,148	$ 6,255,051	$ 5,421,571
$ 23,502,948	$ 21,892,080	$ 20,926,469	$ 19,761,771	$ 20,239,305	$ 19,612,645
7,653,065	6,336,535	5,214,753	5,021,501	4,117,744	4,425,758
(6,850,229)	(6,751,728)	(7,891,221)	(2,464,881)	(2,844,502)	(3,749,541)
$ 24,305,784	$ 21,476,887	$ 18,250,001	$ 22,318,391	$ 21,512,547	$ 20,288,862

State of Georgia

Schedule 2
Changes in Net Position
For the Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	2021	2020	2019	2018
Expenses				
Governmental Activities				
General Government	$ 2,305,031	$ 1,580,323	$ 1,262,837	$ 1,380,132
Education	16,048,419	14,744,905	13,892,451	13,266,545
Health and Welfare	22,446,647	19,182,338	18,015,041	18,082,536
Transportation [(1)]	2,602,147	2,831,753	2,668,539	2,400,875
Public Safety	2,196,467	2,557,268	2,605,402	2,525,521
Economic Development and Assistance	492,212	414,177	465,465	524,516
Culture and Recreation	296,593	291,934	309,863	308,917
Conservation	65,701	59,402	54,758	72,135
Interest and Other Charges on Long-Term Debt [(1)]	415,166	309,200	381,895	379,211
Total Governmental Activities	46,868,383	41,971,300	39,656,251	38,940,388
Business-type Activities				
Higher Education Fund [(2)]	10,208,186	10,355,168	9,739,025	9,300,291
State Health Benefit Plan	3,173,666	2,735,542	2,613,192	2,882,954
Unemployment Compensation Fund	12,925,409	10,229,884	319,367	325,523
Nonmajor Enterprise Funds [(1) (2)]	87,827	204,559	205,638	207,054
Total Business-type Activities	26,395,088	23,525,153	12,877,222	12,715,822
Total Primary Government Expenses	$ 73,263,471	$ 65,496,453	$ 52,533,473	$ 51,656,210
Program Revenues				
Governmental Activities [(1) (2) (3)]				
Sales and Charges for Services				
General Government	$ 838,181	$ 759,685	$ 761,015	$ 724,539
Health and Welfare	97,934	70,209	75,300	78,995
Public Safety	184,815	166,570	187,020	184,472
Other Sales and Charges for Services	308,672	295,692	277,008	273,257
Operating Grants and Contributions	23,237,101	17,728,046	16,236,248	16,277,251
Capital Grants and Contributions	1,580,949	1,730,727	1,614,685	1,560,745
Total Governmental Activities	26,247,652	20,750,929	19,151,276	19,099,259
Business-type Activities [(1)]				
Sales and Charges for Services				
Higher Education Fund [(2)]	3,490,490	3,583,317	3,730,124	3,578,611
State Health Benefit Plan [(4)]	3,079,378	2,827,312	2,523,714	2,965,082
Unemployment Compensation Fund [(4)]	570,965	633,361	592,707	649,655
Nonmajor Enterprise Funds [(1) (2)]	40,407	39,844	40,566	43,124
Operating Grants and Contributions	15,698,794	11,723,271	3,354,730	3,031,969
Capital Grants and Contributions	27,227	103,004	109,838	107,167
Total Business-type Activities	22,907,261	18,910,109	10,351,679	10,375,608
Total Primary Government Program Revenues	$ 49,154,913	$ 39,661,038	$ 29,502,955	$ 29,474,867
Net (Expense) Revenue				
Governmental Activities [(1)]	$ (20,620,731)	$ (21,220,371)	$ (20,504,975)	$ (19,841,129)
Business-type Activities [(2) (3) (4)]	(3,487,827)	(4,615,044)	(2,525,543)	(2,340,214)
Total Primary Government	$ (24,108,558)	$ (25,835,415)	$ (23,030,518)	$ (22,181,343)

Fiscal Year

2017	2016	2015	2014	2013	2012
$ 1,229,891	$ 1,385,643	$ 1,735,174	$ 1,658,846	$ 1,606,626	$ 1,326,657
12,655,824	12,024,645	11,408,408	10,788,262	10,770,532	10,100,155
17,238,499	16,795,986	16,589,708	16,107,840	16,033,221	15,657,704
1,964,380	1,917,223	1,904,464	1,845,850	1,656,662	1,519,707
2,628,645	2,145,769	1,994,413	2,002,615	2,012,501	1,912,814
645,604	509,074	590,676	510,338	515,874	783,308
279,375	279,772	236,922	247,170	240,018	233,043
60,603	59,409	54,280	37,002	51,038	50,334
394,388	424,595	678,888	592,668	616,328	638,775
37,097,209	35,542,116	35,192,933	33,790,591	33,502,800	32,222,497
9,063,716	8,576,540	8,323,884	7,984,962	7,931,918	7,916,281
2,296,062	2,153,073	2,025,638	2,032,910	2,193,829	2,362,677
328,266	379,714	458,112	1,152,763	1,858,989	2,240,295
194,402	11,587	158,809	229,630	191,949	35,735
11,882,446	11,120,914	10,966,443	11,400,265	12,176,685	12,554,988
$ 48,979,655	$ 46,663,030	$ 46,159,376	$ 45,190,856	$ 45,679,485	$ 44,777,485
$ 698,096	$ 799,281	$ 621,448	$ 2,770,681	$ 2,205,860	$ 1,912,183
292,832	91,838	134,140	562,606	576,110	489,289
186,972	167,297	157,056	154,324	161,190	162,970
236,843	275,045	260,346	236,035	235,067	264,309
15,611,324	15,372,385	15,758,799	14,780,822	15,317,258	14,764,360
1,608,086	1,377,654	1,182,723	1,239,876	1,310,696	1,142,924
18,634,153	18,083,500	18,114,512	19,744,344	19,806,181	18,736,035
3,552,863	3,509,384	3,241,333	2,993,298	2,992,037	2,922,710
2,188,034	2,121,100	2,363,917	—	—	—
709,830	785,392	849,070	—	—	—
30,181	11,640	95,020	146,407	114,152	38,716
2,788,516	2,636,285	2,611,058	6,695,670	7,251,162	7,245,740
79,085	60,543	102,216	36,664	90,665	36,157
9,348,509	9,124,344	9,262,614	9,872,039	10,448,016	10,243,323
$ 27,982,662	$ 27,207,844	$ 27,377,126	$ 29,616,383	$ 30,254,197	$ 28,979,358
$ (18,463,056)	$ (17,458,616)	$ (17,078,421)	$ (14,046,247)	$ (13,696,619)	$ (13,486,462)
(2,533,937)	(1,996,570)	(1,703,829)	(1,528,226)	(1,728,669)	(2,311,665)
$ (20,996,993)	$ (19,455,186)	$ (18,782,250)	$ (15,574,473)	$ (15,425,288)	$ (15,798,127)

(continued)

Schedule 2
Changes in Net Position
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts in thousands)

	2021	2020	2019	2018
General Revenues and Other Changes in Net Position				
Governmental Activities [1] [2]				
General Revenues				
Taxes				
Individual Income	$ 13,699,488	$ 12,529,857	$ 12,255,424	$ 11,109,361
Sales - General	7,268,260	6,212,812	6,226,817	5,905,929
Motor Fuel Tax	1,779,560	1,872,628	1,836,890	1,800,191
Motor Vehicle License and Title Ad Valorem Taxes[4]	1,139,049	1,041,107	1,253,113	1,314,354
Corporate Tax	1,741,239	1,214,809	1,272,157	1,004,524
Other Taxes	1,321,424	1,069,632	939,419	1,124,370
Lottery for Education - Lottery Proceeds[4]	1,544,954	1,237,345	1,207,369	1,143,515
Nursing Home and Hospital Provider Fees[4]	519,078	513,666	488,218	465,595
Tobacco Settlement Funds[4]	175,995	157,009	163,851	168,926
Unrestricted Investment Income	15,468	148,822	205,072	104,230
Unclaimed Property	179,098	141,925	144,841	151,462
Other	171,346	185,350	221,221	184,240
Transfers	(2,871,515)	(3,035,910)	(3,485,850)	(2,993,509)
Total Governmental Activities	26,683,444	23,289,052	22,728,542	21,483,188
Business-type Activities [1] [2]				
General Revenues				
Contributions to Permanent Endowments	731	964	1,300	345
Transfers	2,871,515	3,035,910	3,485,850	2,993,509
Total Business-type Activities	2,872,246	3,036,874	3,487,150	2,993,854
Total Primary Government General Revenues and Other Changes in Net Position	$ 29,555,690	$ 26,325,926	$ 26,215,692	$ 24,477,042
Changes in Net Position				
Governmental Activities [1] [2]	$ 6,062,713	$ 2,068,681	$ 2,223,567	$ 1,642,059
Business-type Activities [1] [2] [3]	(615,581)	(1,578,170)	961,607	653,640
Total Primary Government	$ 5,447,132	$ 490,511	$ 3,185,174	$ 2,295,699

(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					
2017	2016	2015	2014	2013	2012
$ 11,318,052	$ 9,799,035	$ 9,769,658	$ 8,976,720	$ 8,854,916	$ 8,196,187
5,798,400	5,730,560	5,235,481	4,988,620	5,082,342	5,141,871
1,741,413	1,668,568	1,210,079	1,196,154	1,149,110	1,201,532
1,347,626	1,307,054	1,167,421	—	—	—
955,791	981,475	1,014,290	949,815	806,881	658,303
607,929	1,515,674	774,605	801,605	752,103	776,813
1,101,062	1,097,823	980,653	—	—	—
442,576	434,126	454,372	—	—	—
140,938	137,035	138,385	—	—	—
50,631	33,936	9,103	4,995	323	6,183
143,683	153,257	156,360	148,129	138,832	83,215
196,046	12,916	9,646	12,112	126,862	12,909
(2,803,960)	(2,639,131)	(2,657,978)	(2,308,895)	(2,377,595)	(2,346,986)
21,040,187	20,232,328	18,262,075	14,769,255	14,533,774	13,730,027
833	137	—	7,522	1,231	—
2,803,960	2,639,131	2,657,978	2,308,895	2,377,595	2,346,986
2,804,793	2,639,268	2,657,978	2,316,417	2,378,826	2,346,986
$ 23,844,980	$ 22,871,596	$ 20,920,053	$ 17,085,672	$ 16,912,600	$ 16,077,013
$ 2,577,131	$ 2,773,712	$ 1,183,654	$ 723,008	$ 837,155	$ 243,565
270,856	642,698	954,149	788,191	650,157	35,321
$ 2,847,987	$ 3,416,410	$ 2,137,803	$ 1,511,199	$ 1,487,312	$ 278,886

(3) 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.

(4) 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)

	2021	2020	2019	2018	2017
General Fund					
Nonspendable	$ 27,612	$ 39,561	$ 20,780	$ 35,375	$ 82,570
Restricted	6,297,540	5,440,832	5,438,608	5,118,497	4,652,244
Unrestricted					
Committed	21,145	17,372	9,385	11,753	10,921
Assigned	818,728	494,586	522,273	437,737	418,815
Unassigned	6,184,089	2,414,540	2,833,072	2,506,449	2,211,442
Total General Fund	$ 13,349,114	$ 8,406,891	$ 8,824,118	$ 8,109,811	$ 7,375,992
All Other Governmental Funds (1)					
Nonspendable	$ —	$ 16,770	$ 16,770	$ 16,770	$ 15,289
Restricted	2,548,478	1,781,860	1,916,578	1,475,928	1,310,861
Unrestricted					
Assigned	47,877	54,949	72,796	84,912	74,100
Total All Other Governmental Funds	$ 2,596,355	$ 1,853,579	$ 2,006,144	$ 1,577,610	$ 1,400,250

(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				
2016	2015	2014	2013	2012
$ 66,744	$ 50,979	$ 54,972	$ 56,937	$ 74,206
4,112,561	3,284,676	3,371,495	3,177,010	3,004,697
9,287	7,713	3,232	4,954	7,695
345,667	444,077	325,552	365,985	298,557
1,795,230	1,282,974	1,073,662	798,630	334,655
$ 6,329,489	$ 5,070,419	$ 4,828,913	$ 4,403,516	$ 3,719,810
$ 136	$ 257	$ 14	$ 14	$ 8,398
1,242,119	1,074,877	1,216,195	1,065,153	963,782
69,288	60,062	74,489	55,061	18,227
$ 1,311,543	$ 1,135,196	$ 1,290,698	$ 1,120,228	$ 990,407

Schedule 4
Changes in Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts in thousands)

	2021	2020	2019	2018	2017
Revenues [1]					
Taxes					
Individual Income	$ 14,024,344	$ 12,545,944	$ 12,202,473	$ 11,644,160	$ 11,023,806
Sales - General	7,343,273	6,230,249	6,286,292	6,019,297	5,781,149
Motor Fuel Tax	1,779,560	1,872,628	1,836,890	1,800,191	1,741,414
Motor Vehicle License and Title ad valorem Taxes[3]	1,139,049	1,041,107	1,253,113	1,314,354	1,347,626
Corporate Tax	1,741,239	1,214,809	1,272,157	1,004,524	955,790
Other Taxes	1,003,107	1,125,499	851,105	1,057,108	977,494
Licenses and Permits	432,292	411,368	406,811	423,796	392,102
Intergovernmental - Federal	23,892,327	18,280,850	16,930,680	16,926,361	16,543,931
Intergovernmental - Other	732,248	618,597	663,598	637,053	519,077
Sales and Services	535,639	444,394	429,050	426,328	608,204
Fines and Forfeits	483,319	482,952	523,033	475,711	475,421
Interest and Other Investment Income	35,523	208,359	285,225	142,282	68,780
Unclaimed Property	180,361	141,925	144,841	151,462	143,683
Lottery Proceeds	1,544,954	1,237,345	1,207,369	1,143,515	1,101,062
Nursing Home Provider Fees	152,797	168,453	154,263	161,575	156,746
Hospital Provider Payments	366,281	345,213	333,955	304,020	285,830
Other	320,865	380,507	328,212	308,655	288,396
Total Revenues	55,707,178	46,750,199	45,109,067	43,940,392	42,410,511
Expenditures [1]					
Current					
General Government	1,624,883	1,200,665	1,018,790	963,123	915,149
Education	16,025,139	14,693,652	13,859,041	13,271,141	12,605,566
Health and Welfare	22,530,467	19,231,330	18,192,601	18,205,579	17,225,344
Transportation	3,426,702	3,450,047	3,239,744	2,882,072	2,901,428
Public Safety	2,303,584	2,597,921	2,697,770	2,607,044	2,540,030
Economic Development and Assistance	489,623	414,221	525,126	565,462	692,393
Culture and Recreation	324,340	292,628	311,170	302,262	301,768
Conservation	61,522	58,921	62,549	85,328	58,888
Capital Outlay	793,847	959,817	890,631	902,083	889,793
Debt Service					
Principal	931,555	1,056,725	1,029,075	1,068,590	1,042,625
Interest	420,137	440,086	436,216	430,077	419,177
Other Charges	195,734	22,676	23,765	27,036	26,541
Intergovernmental	230,413	276,081	178,421	246,015	175,136
Total Expenditures	49,357,946	44,694,770	42,464,899	41,555,812	39,793,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,349,232	2,055,429	2,644,168	2,384,580	2,616,673

Fiscal Year

2016	2015	2014	2013	2012
$ 10,078,312	$ 9,714,090	$ 8,976,720	$ 8,854,916	$ 8,196,187
5,473,282	5,263,011	4,988,620	5,082,342	5,141,871
1,668,568	1,210,079	1,196,154	1,149,110	1,201,532
1,307,054	1,167,421	—	—	—
981,475	1,014,290	949,815	806,881	658,303
1,186,308	871,158	801,605	752,103	776,813
499,313	328,028	1,387,113	753,517	593,541
15,946,548	16,056,116	15,359,809	15,935,839	15,294,531
547,897	646,442	590,000	626,723	505,974
403,849	439,342	449,697	483,606	440,951
464,064	444,301	446,646	607,862	450,457
50,219	26,243	23,365	7,244	18,580
153,257	156,360	148,129	138,832	83,215
1,097,823	980,653	945,097	927,479	901,329
163,524	175,414	169,521	176,864	132,393
270,602	278,958	237,978	232,080	225,260
130,774	129,092	68,375	75,148	72,657
40,422,869	38,900,998	36,738,644	36,610,546	34,693,594
1,021,257	1,059,255	1,119,722	1,045,120	920,513
12,010,308	11,435,031	10,787,182	10,768,786	10,099,224
16,872,312	16,713,851	16,106,379	16,031,121	15,668,820
2,181,785	2,095,554	1,847,149	1,879,877	1,664,812
2,193,494	2,122,905	1,969,468	2,033,814	1,921,717
600,031	610,472	512,286	494,016	782,055
304,703	263,263	257,416	263,636	258,472
56,514	53,394	47,471	51,314	54,694
765,976	1,010,110	699,126	600,128	674,905
988,145	966,445	850,290	774,855	803,600
449,666	460,214	466,787	461,432	475,208
25,848	27,284	75,372	155,290	98,368
200,373	223,531	209,097	138,161	239,879
37,670,412	37,041,309	34,947,745	34,697,550	33,662,267
2,752,457	1,859,689	1,790,899	1,912,996	1,031,327

(continued)

Schedule 4
Changes in Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts in thousands)

	2021	2020	2019	2018	2017
Other Financing Sources (Uses) (1)					
General Obligation Bonds Issuance	1,132,515	914,675	1,228,625	1,041,015	920,035
Refunding Bonds Issuance	—	321,835	285,915	634,545	1,340,265
Revenue Bond Issuance	—	—	—	—	—
GARVEE Bond Issuance	484,160	—	—	—	—
Debt Issuance - Other	—	63,850	63,850	63,850	52,720
Premium on General Obligation Bonds Sold	183,801	85,090	95,163	119,498	111,054
Premium on Refunding Bonds Sold	—	29,772	27,159	91,178	283,301
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)	(1,620,595)
Capital Leases	28,248	13,300	16,304	9,625	35,155
Transfers In	1,782,170	1,758,836	1,653,039	1,705,963	1,594,219
Transfers Out	(4,498,939)	(4,630,778)	(4,477,445)	(4,425,660)	(4,165,721)
Net Other Financing Sources (Uses)	(770,255)	(1,783,556)	(1,409,030)	(1,473,401)	(1,449,567)
Net Change in Fund Balance	$ 5,578,977	$ 271,873	$ 1,235,138	$ 911,179	$ 1,167,106
Debt Service Expenditures as a Percentage of Noncapital Expenditures (2)	2.87 %	3.54 %	3.60 %	3.77 %	3.90 %

(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

2016	2015	2014	2013	2012
1,008,355	823,555	857,670	834,870	803,615
275,985	159,350	—	486,825	719,465
—	11,057	32,718	—	—
—	—	—	—	—
20,926	—	—	—	—
94,194	78,602	62,075	124,742	78,781
—	13,819	—	102,681	86,523
—	—	—	—	—
(302,322)	(173,032)	—	(587,396)	(805,945)
27,617	12,825	8,207	5,847	11,179
1,718,186	1,609,361	1,550,566	1,424,420	1,414,093
(4,081,733)	(3,882,868)	(3,706,268)	(3,481,263)	(3,409,603)
(1,238,792)	(1,347,331)	(1,195,032)	(1,089,274)	(1,101,892)
$ 1,513,665	$ 512,358	$ 595,867	$ 823,722	$ (70,565)
3.98 %	3.98 %	3.91 %	3.67 %	3.95 %

Schedule 5

Revenue Base - Personal Income by Industry

For the Last Ten Calendar Years

(dollars in millions)

	2020	2019	2018	2017
Accommodation and Food Services	$ 11,381	$ 11,904	$ 10,980	$ 10,507
Administrative and Waste Management Services	19,288	18,895	17,805	16,932
Arts, Entertainment and Recreation	2,699	2,777	2,527	2,483
Construction	23,232	21,712	21,267	18,941
Educational Services	5,820	5,658	5,362	5,120
Farm Earnings	1,669	1,907	2,649	1,946
Federal Government - Civilian	12,536	12,262	11,313	11,183
Federal Government - Military	7,330	7,212	6,838	6,579
Finance and Insurance	24,605	23,368	22,063	21,193
Forestry, Fishing and Related Activities	1,133	1,125	1,000	973
Health Care and Social Assistance	37,427	37,057	34,561	32,850
Information	20,926	21,721	21,089	21,069
Management of Companies and Enterprises	13,895	14,117	10,529	9,189
Manufacturing	30,848	31,096	31,805	30,423
Mining	948	994	862	783
Other Services, Except Public Administration	11,981	12,130	11,361	10,875
Professional, Scientific and Technical Services	38,693	36,339	34,522	32,809
Real Estate, Rental and Leasing	12,376	9,354	7,766	7,335
Retail Trade	23,020	21,203	20,738	20,097
State and Local Government	37,978	39,087	37,692	37,087
Transportation and Warehousing	18,484	17,170	17,980	17,013
Utilities	3,817	3,467	3,012	2,935
Wholesale Trade	21,559	22,951	20,846	21,385
Other	166,331	138,238	126,646	120,696
Total Personal Income	$ 547,976	$ 511,744	$ 481,213	$ 460,403
Average Effective Rate (1)	2.3 %	2.4 %	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

2016	2015	2014	2013	2012
$ 10,209	$ 9,838	$ 9,551	$ 8,969	$ 8,595
15,610	15,166	14,828	13,744	12,873
2,171	2,231	2,379	2,277	2,162
17,604	15,391	14,766	13,365	12,471
4,849	4,705	4,638	4,391	4,318
1,814	2,476	3,230	3,640	3,429
10,806	10,421	9,824	9,796	10,076
6,446	6,825	6,833	7,048	7,229
19,269	18,663	18,200	17,386	16,492
1,045	1,010	1,010	872	847
31,688	29,914	28,658	27,487	26,127
18,669	15,118	12,225	11,414	10,922
8,443	8,179	7,776	7,009	6,626
29,125	27,921	26,822	25,876	24,977
787	560	592	558	524
10,528	10,309	10,460	10,055	9,619
31,180	30,183	28,908	26,708	25,972
6,262	5,784	6,454	6,135	5,740
19,375	19,046	18,127	17,303	16,415
35,643	33,051	32,454	32,139	32,100
16,172	14,838	13,881	13,143	12,498
2,902	2,657	2,435	2,401	2,294
21,150	20,493	19,539	18,709	17,917
112,931	106,943	101,183	97,731	98,926
$ 434,678	$ 411,722	$ 394,773	$ 378,156	$ 369,149
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

	Georgia Taxable Net Income Level	
Income Level	**2021 - 2018**	**2017 - 2012**
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 2019(1) and 2010

(amounts, except income level, are in thousands)

2019(1)

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$1,000 and under (2)	918,878	19.0 %	$ 886,087	7.0 %
$1,001 to $5,000	224,163	4.6 %	1	0.0%.
$5,001 to $10,000	298,351	6.2 %	2,318	0.0%.
$10,001 to $15,000	358,308	7.4 %	29,094	0.2 %
$15,001 to $20,000	316,628	6.6 %	76,818	0.6 %
$20,001 to $25,000	277,776	5.8 %	133,305	1.1 %
$25,001 to $30,000	256,060	5.3 %	187,923	1.5 %
$30,001 to $50,000	732,165	15.2 %	974,410	7.7 %
$50,001 to $100,000	797,247	16.5 %	2,329,663	18.5 %
$100,001 to $500,000	606,621	12.6 %	5,085,423	40.4 %
$500,001 to $1,000,000	27,419	0.6 %	947,265	7.5 %
$1,000,001 and higher	13,213	0.3 %	1,925,817	15.3 %
Totals	4,826,829	100.0 %	$ 12,578,123	100.0 %

2010

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$1,000 and under (2)	676,319	15.9 %	$ 405,483	5.3 %
$1,001 to $5,000	224,888	5.3 %	822	0.0%.
$5,001 to $10,000	372,509	8.7 %	14,543	0.2 %
$10,001 to $15,000	392,300	9.2 %	54,515	0.7 %
$15,001 to $20,000	344,746	8.1 %	109,346	1.4 %
$20,001 to $25,000	288,183	6.8 %	151,403	2.0 %
$25,001 to $30,000	243,416	5.7 %	183,613	2.4 %
$30,001 to $50,000	632,967	14.8 %	807,098	10.5 %
$50,001 to $100,000	681,511	16.0 %	1,843,763	24.0 %
$100,001 to $500,000	390,512	9.2 %	2,860,595	37.3 %
$500,001 to $1,000,000	13,235	0.3 %	455,064	5.9 %
$1,000,001 and higher	5,732	0.1 %	783,779	10.2 %
Totals	4,266,318	100.0 %	$ 7,670,024	100.0 %

(1) Most recent available data.

(2) Category also includes payments from out-of-state residents and partial-year payers

Source: Georgia 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
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
2012	8,889,868	1,678,744	262,111	14,600

(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 $63.5 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 2021, the State collected $1.8 billion of motor fuel tax funds. The principal and interest on the revenue bonds for fiscal year 2021 was $53.8 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]
$ 232,337	$ 2,676,623	$ 299,319	$ 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
319,247	3,436,099	751,299	15,351,968	4.3 %	1,559

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)]
2021	$ 10,738,573	1.96%	$ 1,002.67
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
2012	9,278,490	2.60%	945.60

(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
CONSTITUTION
WISDOM JUSTICE MODERATION
1776

Schedule 10
Computation of Legal Debt Margin
For the Last Ten Fiscal Years
(in whole dollars)

	2021 (3)	2020 (3)	2019	2018	2017
Revenue Base:					
Treasury Receipts for the Preceding Fiscal Year (1)	$26,900,038,894	$22,748,258,000	$25,649,499,261	$24,519,402,190	$23,476,964,889
Debt Limit Amount:					
Highest Aggregate Annual Commitments					
(Principal and Interest) Permitted Under					
Constitutional Limitation (10% of above)	$ 2,690,003,889	$ 2,274,825,800	$ 2,564,949,926	$2,451,940,219	$2,347,696,489
Debt Applicable to the Limit:					
Highest Total Annual Commitments in Current or					
any Subsequent Fiscal Year (2)	1,364,751,098	1,452,097,870	1,432,215,164	1,398,096,186	1,405,379,184
Legal Debt Margin	$ 1,325,252,791	$ 822,727,930	$ 1,132,734,762	$1,053,844,033	$ 942,317,305
Total Debt Applicable to the Limit as Percentage of					
Debt Limit Amount	50.7 %	63.8 %	55.8 %	57.0 %	59.9 %

(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				
2016	2015	2014	2013	2012
$ 21,557,498,541	$ 20,256,765,494	$ 19,539,691,058	$ 18,316,797,048	$ 17,546,376,094
$ 2,155,749,854	$ 2,025,676,549	$ 1,953,969,106	$ 1,831,679,705	$ 1,754,637,609
1,311,486,764	1,305,012,971	1,320,929,740	1,289,411,544	1,310,228,303
$ 844,263,090	$ 720,663,578	$ 633,039,366	$ 542,268,161	$ 444,409,306
60.8 %	64.4 %	67.6 %	70.4 %	74.7 %

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
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%
2011	9,812,280	357,306	36,422	1,673,740	10.2%
2010	9,713,454	333,559	34,341	1,665,557	10.5%

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 2021 and Nine Years Previous (2012)

2021 Employers	**2012 Employers**
Amazon.Com Services, 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	GMRI, Inc.
Lowe's Home Center, Inc.	Lowe's Home Center, Inc.
McDonalds	Mohawk Carpet
Northside Forsyth Hospital	Publix Supermarkets, Inc.
Publix Super Markets, Inc.	Shaw Industries Group, Inc.
Shaw Industries Group, Inc.	Target
Target	The Home Depot, Inc.
The Home Depot, Inc.	The Kroger Company
The Kroger Company	United Parcel Service, Inc.
United Parcel Service, Inc.	Wal-Mart Stores, Inc.
Wal-Mart Stores, Inc.	Wellstar Health System, Inc
Wellstar Health System, Inc.	

To protect employer confidentiality, OCGA § 34-8-121(b)(3) prohibits the release of employee numbers by employer.

Sources: 2021 - Georgia Department of Labor (1st quarter 2020)
2012 - Comprehensive Annual Financial Report - Fiscal Year Ended June 30, 2012

Schedule 13
State Government Employment by Function
For the Last Ten Fiscal Years [1]

	2021	2020	2019	2018	2017
Governmental Activities					
General Government	8,020	8,118	8,619	8,408	8,432
Education	2,462	2,466	2,513	2,342	2,152
Health and Welfare	21,212	21,013	20,922	21,203	21,845
Transportation	4,335	4,618	4,883	4,863	4,872
Public Safety	21,551	24,991	26,789	28,686	27,780
Economic Development and Assistance	1,998	2,026	2,092	2,258	2,421
Culture and Recreation	3,066	3,097	3,227	3,112	3,080
Conservation	743	766	808	818	852
	63,387	67,095	69,853	71,690	71,434
Business-Type Activities [2] [5]					
State Road and Tollway Authority [3]	130	132	129	116	107
Higher Education Fund [4]	89,175	85,707	82,525	80,237	79,456
	89,305	85,839	82,654	80,353	79,563
Total Employment	152,692	152,934	152,507	152,043	150,997

(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

2016	2015	2014	2013	2012
8,722	8,402	7,848	8,194	7,729
2,184	1,836	1,419	1,422	1,371
21,073	22,102	18,868	20,463	18,007
5,023	5,102	4,379	4,385	4,577
25,728	25,513	23,430	21,418	20,449
2,487	2,760	2,757	2,459	4,802
2,982	2,838	2,284	2,403	3,169
820	837	638	647	664
69,019	69,390	61,623	61,391	60,768
—	—	70	79	71
80,004	76,972	76,594	74,503	82,109
80,004	76,972	76,664	74,582	82,180
149,023	146,362	138,287	135,973	142,948

Schedule 14
Operating Indicators and Capital Assets by Function
For the Last Ten Years (1)

	2021	2020	2019	2018
General Government				
Department of Revenue				
Number of Personal Income Tax Filers	NCA	NCA	4,826,829	4,642,733
Education				
Department of Education				
Public School Enrollment (March FTE Count)				
Pre Kindergarten through Grade 5	792,304	833,266	841,190	850,534
Grades 6 through 8	413,283	415,766	409,008	400,469
Grades 9 through 12	517,540	511,707	509,640	510,469
Board of Regents of the University System of Georgia				
Number of Separate Institutions	26	26	26	29
Number of Active Educators	14,902	15,242	15,197	15,161
Number of Students	341,489	333,507	328,712	325,203
Health and Welfare				
Department of Human Services				
Food Stamp Recipients	1,690,194	1,396,889	1,379,463	1,564,906
Temporary Assistance for Needy Families Recipients	15,285	15,852	18,968	21,993
Transportation				
Department of Transportation				
Miles of State Highway	17,923	17,953	17,943	17,959
Public Safety				
Department of Corrections				
Number of Inmates	46,586	51,219	54,757	54,758
Number of Probationers	NCA	NCA	NCA	NCA
Number of Offenders	210,246	223,635	221,434	275,777
Economic Development and Assistance				
Department of Economic Development				
Economic Impact of Tourism (in millions):				
Domestic Traveler Spending - Direct	NCA	$ 21,057	$ 29,465	$ 27,902
Domestic Travel-generated State Tax Revenues	NCA	$ 1,666	$ 1,497	$ 1,421
Culture and Recreation:				
Department of Natural Resources				
Number of State Parks	51	51	50	49
Number of Historic Sites	15	15	15	15
Acreage of State Parks and Historic Sites (in acres)	88,237	83,184	79,216	85,490
Number of Daily Park Passes Sold	1,170,802	962,076	871,566	875,817
Number of Annual Park Passes Sold	65,453	46,300	26,981	15,498
Number of Hunting and Fishing Licenses Sold	1,626,599	1,584,133	1,443,657	1,196,097
Number of Registered Boats	362,580	367,762	368,094	338,210
Conservation				
Forestry Commission				
Economic Impact of Forestry Industry				
Output (in millions)	NCA	NCA	$ 22,000	$ 21,500
Employment	NCA	NCA	55,562	55,089
Compensation (in millions)	NCA	NCA	$ 3,900	$ 4,000

(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

2017	2016	2015	2014	2013	2012
4,532,560	4,389,981	4,423,664	4,471,307	4,319,711	4,226,144
856,077	856,413	854,352	846,364	836,627	829,900
394,565	392,095	392,433	392,381	388,542	383,553
506,901	500,808	489,631	478,160	468,205	460,287
29	29	30	31	31	35
15,012	14,606	14,478	14,309	13,903	13,855
321,551	318,164	312,936	309,469	314,365	318,027
1,654,152	1,745,876	1,825,606	1,823,017	1,957,886	1,875,000
21,876	26,635	27,219	31,598	35,185	35,887
17,912	17,902	17,907	17,912	17,967	17,985
54,636	53,852	51,002	51,216	53,168	54,336
165,635	168,088	165,926	165,560	164,051	163,265
258.843	—	—	—	—	—
$ 26,483	$ 25,558	$ 24,526	$ 23,707	$ 22,354	$ 21,489
$ 1,356	$ 1,307	$ 1,170	$ 1,059	$ 989	$ 949
49	49	49	49	49	48
15	15	15	15	15	18
85,430	85,430	85,647	92,880	92,880	86,000+
905,504	802,267	790,020	659,391	650,651	659,860
11,954	9,444	7,852	6,187	5,595	8,042
1,335,703	1,346,360	1,346,360	1,025,782	955,340	1,004,771
134,095	143,587	144,979	147,854	125,280	124,610
$ 21,300	$ 20,800	$ 19,200	$ 16,800	$ 16,900	$ 16,313
53,933	51,900	50,385	48,740	50,110	49,516
$ 3,840	$ 3,740	$ 3,550	$ 3,030	$ 3,100	$ 3,078

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APPENDIX C

Statistical Information

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SELECTED EMPLOYMENT AND POPULATION DATA

The following tables under this heading set forth certain categories of employment and population data for the State of Georgia.

State of Georgia
(Annual Averages)

Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
2017	5,107,745	4,864,452	243,293	4.8%
2018	5,120,393	4,914,668	205,725	4.0
2019	5,153,495	4,967,922	185,574	3.6
2020	5,077,844	4,749,731	328,113	6.5
2021	5,185,033	4,980,142	204,891	3.9
2022(a)	5,234,620	5,086,389	166,231	3.2

(a) Amounts shown are for the month of February 2022, not the annual average, and are seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics

State Employees
(As of June 30)

Year	Total Employees	Part Time	Full Time
2017	63,031	63	62,968
2018	63,125	54	63,071
2019	66,659	126	66,533
2020	64,479	116	64,595
2021	60,588	133	60,455

Source: State Personnel Administration

Major Nongovernmental Employers

Amazon.Com Services, Inc.
American Forest Mgmt., Inc.
AT&T Services, Inc.
BB&T
Children's Healthcare
Delta Air Lines, Inc.
Dollar General
Emory Healthcare, Inc.
Emory University
FedEx Ground Package System, Inc.
Georgia Power Co.
Gulfstream Aerospace Corp
Hire Dynamics, LLC
The Home Depot
Ingles Markets, Inc.
Invictus Medical
The Kroger Company
Longhorn
Lowes Home Centers, Inc.
McDonalds
Mohawk Carpet Distribution LP
Northeast Ga Medical Center
Northside Forsyth
Publix Super Market, Inc.
Security Forces LLC
Shaw Industries Group, Incorporated Inc.
State Farm Mutual Auto Insurance Company
Target
United Parcel Service
Waffle House
Walmart
Wellstar Health System, Inc.

Source: Georgia Department of Labor (4th quarter 2021)

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Employment in Non-Agricultural Establishments by Sector in Georgia
(Annual Average in thousands)

Sector	2017	2018	2019	2020	2021	February 2022
Mining and logging	9.5	9.5	9.5	9.5	9.5	9.7
Construction	186.7	196.2	204.7	201.3	205.6	204.9
Manufacturing	400.3	408.0	406.8	385.1	394.4	407.9
Total – Goods Producing	596.5	613.7	630.4	595.9	639.4	622.5
Trade, transportation and utilities	926.7	943.0	944.1	923.9	962.8	997.2
Information	118.5	114.6	118.1	109.3	123.4	134.0
Financial activities	243.3	248.2	249.9	250.6	258.5	266.5
Professional & business services	675.0	692.4	720.7	692.9	733.8	771.4
Education and health services	569.5	584.5	605.8	586.9	604.5	623.0
Leisure and hospitality	478.6	490.6	498.0	414.7	451.2	478.9
Other services	158.3	159.3	165.8	150.3	157.3	161.1
Government	687.5	693.8	688.9	680.2	669.4	669.8
Total – Service Producing	3,857.4	3,926.4	3,986.1	3,808.8	3,930.9	4,101.9
Total Non-Farm Employment	4,453.9	4,540.0	4,610.1	4,404.7	4,570.3	4,724.4

Source: U. S. Department of Labor, Bureau of Labor Statistics; 2017 through 2021 data are annual averages and 2022 data is as of February 2022.

(Note: Amounts may not add precisely due to rounding.)

Average Hourly Earnings in Manufacturing

Year	United States	Southeast	Georgia	Georgia as % of U.S.	Georgia as % of Southeast
2017	$20.89	$19.77	$18.44	88.3%	93.3%
2018	21.53	20.12	18.92	87.9	94.0
2019	22.14	20.54	19.59	88.5	95.4
2020	22.81	21.61	21.00	92.1	97.2
2021	23.81	21.80	22.27	93.5	102.2

Source: U.S. Department of Labor, Bureau of Labor Statistics

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Average Annual Growth Rates in Hourly Earnings

Years	U.S.	Southeast (a)	Georgia
2011-2016	1.5%	2.0%	0.4%
2017-2021	2.7	2.3	3.8

(a) Southeast refers to the twelve state region made up of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Source: U.S. Bureau of Labor Statistics, Employment and Earnings (Southeast calculated as weighted average of each state's average hourly earnings of production workers. Weight is based on number of employees on manufacturing payrolls.)

Population Trends

	1980	1990	2000	2010	2020
State Total	5,464,265	6,478,000	8,186,453	9,687,653	10,711,908
Percent Urban	62.4%	65.0%	71.6%	75.1%	NA
Percent Rural	37.6%	35.0%	28.4%	24.9%	NA
Median Age	28.6 years	31.5 years	33.4 years	35.3 years	NA

Source: U.S. Bureau of Census; NA: Not Available from the Cited Source

Georgia Public School Enrollment (Pre-K –12)

Year	Annual Enrollment (a)
2017-2018	1,768,642
2018-2019	1,767,178
2019-2020	1,769,621
2020-2021	1,729,966
2021-2022	1,740,812

(a) Enrollment as of October, yearly.

Source: Georgia Department of Education

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Per Capita Income

Year	U.S.	Southeast (a)	Georgia Income	Georgia % of U.S.	Georgia % of Southeast
2017	$51,573	$45,748	$44,996	87.2%	98.4%
2018	53,817	47,633	46,824	87.0	98.3
2019	55,724	49,414	48,697	87.4	98.5
2020	59,147	52,213	51,704	87.4	99.0
2021	63,444	56,118	55,289	87.1	98.5

(a) Southeast refers to the twelve state region made up of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Average Annual Growth Rates in Per Capita Income

Years	U.S.	Southeast (a)	Georgia
2011 - 2016	3.0%	2.8%	3.1%
2016 - 2021	4.4%	4.4%	4.4%

(a) Southeast refers to the twelve state region made up of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Median Household Income
($2018 per Household)

Year	U.S.	Georgia	Georgia % of U.S.
2016	$61,779	$56,011	90.7%
2017	62,626	59,398	94.8
2018	63,179	55,821	88.4
2019	61,725	57,656	93.4
2020	64,994	61,224	94.2

Source: U.S. Bureau of Census – Current Population Survey Money Income of Households

Real Per Capita Gross State Product
(Chained $2012 per Capita)

Year	United States	Southeast (a)	Georgia
2017	$55,720	$45,148	$49,623
2018	57,052	45,975	50,327
2019	58,107	46,640	50,816
2020	55,924	45,051	49,819
2021	58,478	48,628	53,764

(a) Southeast refers to the twelve state region made up of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Georgia Revenues and Personal Income

	Georgia Revenues [a]		State Personal Income		
Fiscal Year	$Billions	Annual Change Over 5-year Period	$Billions	Annual Change Over 5-year Period	Georgia Revenues as % of State Personal Income
2017	$23.268	6.1%	$469.238	4.8%	5.0%
2018	24.320	5.9	493.175	5.5	4.9
2019	25.571	5.9	518.278	5.2	4.9
2020	25.479	4.5	554.567	5.3	4.6
2021	28.592	5.2	597.100	6.1	4.8

[a] Amounts derived from the table "GEORGIA REVENUES" under line-item "Total State General Funds" in APPENDIX A.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; *Budgetary Compliance Report*, FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021.

EARNINGS BY MAJOR INDUSTRY: 2021 Annual Average
($ in Billions, Seasonally Adjusted Annual Rate)

	Construction	Manufacturing	Wholesale Trade	Finance and Insurance Services	Government
United States	$913.206	$1,251.785	$651.756	$1,037.928	$2,132.223
Southeast	209.295	264.728	147.721	195.415	490.015
Georgia	25.569	33.849	23.351	27.097	60.040

Source: U.S. Department of Commerce, Bureau of Economic Analysis

SELECTED AGRICULTURAL DATA

Georgia Cash Receipts by Selected Commodities 2016-2020 ($ in Millions)

Year	Crops	Animals & Products[a]	Poultry & Eggs	Vegetables & Melons	Total Receipts[a]
2016	$3,188.9	$5,356.9	$4,521.3	$446.5	$8,845.8
2017	3,126.8	5,869.5	4,984.6	440.2	8,996.3
2018	3,038.4	6,042.4	5,242.1	448.8	9,080.7
2019	2,949.8	5,437.3	4,627.7	488.7	8,387.2
2020	3,346.8	4,414.6	3,594.2	542.2	7,761.4

[a] Formerly "Livestock & Dairy Products"; Total Receipts is the sum of Crops and Animals & Products.

Note: Amounts may not add precisely due to rounding; Data as of February 4, 2022.

Source: U.S. Department of Agriculture, Economic Research Service

2020 Farm Cash Receipts ($ in Millions)

	Georgia	United States
Crops		
Food Grains	$ 21.730	$ 11,783.543
Feed Crops	366.585	57,886.046
Cotton	928.955	7,027.389
Tobacco	38.025	869.234
Oil Crops	628.721	43,909.774
Vegetables & Melons	542.201	18,231.426
Fruit & Nuts	327.046	28,119.039
All Other Crops	493.548	30,954.816
Total Crops	3,348.812	198,781.267
Animals and Products		
Meat Animals	355.229	82,261.174
Dairy Products, Milk	349.272	40,547.698
Poultry and Eggs	3,594.168	35,547.348
Miscellaneous Animals and Products	155.926	6,641.734
Total Animals and Products	4,414.595	164,997.954
Total Farm Cash Crops	$7,761.407	$363,779.221

Note: Amounts may not add precisely due to rounding.
Data as of February 4, 2022.

Source: U.S. Department of Agriculture, Economic Research Service

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APPENDIX D

Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the State of Georgia acting by and through the Georgia State Financing and Investment Commission (the "Issuer") in connection with the issuance of $494,215,000* aggregate principal amount of State of Georgia General Obligation Bonds 2022A, $186,565,000* aggregate principal amount of State of Georgia General Obligation Bonds 2022B (Federally Taxable), and $482,445,000* aggregate principal amount of State of Georgia General Obligation Refunding Bonds 2022C (collectively, the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the Georgia State Financing and Investment Commission on April 11, 2022 and June 23, 2022* (collectively, the "Bond Resolutions"). The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Beneficial Owners (as hereinafter defined) of the Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with Rule 15c2-12 (as hereinafter defined).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolutions which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Filing" shall mean any annual report provided by the Issuer pursuant to Rule 15c2-12 and this Disclosure Agreement.

"Annual Filing Date" shall mean the date set forth in Section 4(a) and Section 4(c) hereof, by which the Annual Filing is to be filed with the MSRB.

"Audited Financial Statements" shall mean the Issuer's basic financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as in effect from time to time (except for any departures from generally accepted accounting principles that result in the Issuer's inability to conform to future changes in generally accepted accounting principles), and which shall be accompanied by an audit report resulting from an audit conducted by (a) the State of Georgia Department of Audits and Accounts or (b) an independent certified public accountant or firm of independent certified public accountants, in conformity with generally accepted auditing standards (except for departures from generally accepted auditing standards disclosed from time to time in the audit report).

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Effective Date" shall mean the date of original issuance and delivery of the Bonds.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of Rule 15c2-12.

"Filing" shall mean, as applicable, any Annual Filing or Listed Event Filing or any other notice or report made public under this Disclosure Agreement and made to the MSRB in such form as shall be prescribed by the MSRB. As of the date hereof, all such filings shall be made in accordance with EMMA.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with Rule 15c2-12.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

"Issuer" shall mean the State of Georgia acting by and through the Georgia State Financing and Investment Commission.

"Listed Events" shall mean any of the events listed in Section 7(a) hereof.

"Listed Event Filing" shall have the meaning specified in Section 7(c) hereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto for purposes of Rule 15c2-12. Currently, MSRB's address, phone number, and fax number for purposes of Rule 15c2-12 are:

MSRB
c/o CDINet
1900 Duke Street
Suite 600
Alexandria, VA 22314
Phone: (703) 797-6000
Fax: (703) 683-1930

"Official Statement" shall mean the Official Statement of the Issuer dated June 23, 2022* with respect to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with Rule 15c2-12 in connection with the offering of the Bonds.

"Rule 15c2-12" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Securities and Exchange Commission" shall mean the United States Securities and Exchange Commission.

"Third Party Beneficiary" shall have the meaning specified in Section 12 hereof.

"Voluntary Filing" means the information provided to the MSRB by the Issuer pursuant to Section 6 hereof.

Section 3. Actions of the Issuer. The Secretary and Treasurer of the Georgia State Financing and Investment Commission (the "Secretary") (or the Secretary's authorized designee) shall be the individual person authorized to be responsible for taking all actions described in this Disclosure Agreement.

Section 4. Provision of Annual Filings.

(a) Not later than one year after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2022, the Issuer shall provide to the MSRB the Annual Filing which is consistent with the requirements of Section 5 hereof. In each case, the Annual Filing may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 5 hereof. Notwithstanding the foregoing, the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Filing when such Audited Financial Statements are available. If the Audited Financial Statements are not submitted as part of the Annual Filing to the MSRB pursuant to this Section 4(a), the Issuer shall provide unaudited financial statements to the MSRB with such Annual Filing and file the Audited Financial Statements with the MSRB when they are available to the Issuer.

(b) If the Annual Filing is not filed with the MSRB by the Annual Filing Date, the Issuer shall in a timely manner send a notice of such failure to the MSRB.

(c) The Issuer shall promptly file a notice of any change in its Fiscal Year and the new Annual Filing Date with the MSRB.

Section 5. Contents of Annual Filings. Each Annual Filing shall contain or incorporate by reference the following:

(a) the Audited Financial Statements;

(b) if generally accepted accounting principles have changed since the last Annual Filing was submitted pursuant to Section 4(a) hereof and if such changes are material to the Issuer, a narrative explanation describing the impact of such changes on the Issuer; and

(c) information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the Issuer: (i) authorized indebtedness, (ii) state treasury receipts, legal debt margin and debt ratios, (iii) revenue shortfall reserve, (iv) state revenues, (v) analysis of general fund receipts, (vi) summary of appropriation allotments, (vii) monthly cash investments, and (viii) purchases for cancellation of state general obligation debt and state guaranteed revenue debt.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by Rule15c2-12), which have been submitted to the MSRB or the Securities and Exchange Commission. Any document incorporated by reference must be available to the public on the MSRB's Internet Website or be filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 6. Voluntary Filings.

(a) The Issuer may file information with the MSRB from time to time (a "Voluntary Filing").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Filing, Annual Financial Statement, Voluntary Filing or Listed Event Filing, in addition to that specifically required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Filing, Annual Financial Statement, Voluntary Filing or Listed Event Filing in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Filing, Annual Financial Statement, Voluntary Filing or Listed Event Filing.

(c) Notwithstanding the foregoing provisions of this Section 6, the Issuer is under no obligation to provide any Voluntary Filing.

Section 7. Reporting of Significant Events.

(a) The occurrence of any of the following events with respect to a particular series of the Bonds constitutes a "Listed Event" only with respect to such series of the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

(vii) Modifications to rights of Beneficial Owners, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution, or sale of property securing repayment, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership, or similar event of the Issuer.

(xiii) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) For the purposes of the event identified in Section 7(a)(xii) hereof, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(c) The Issuer shall in a timely manner and not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB (each a "Listed Event Filing"). Notice of Listed Events described in subsections (a)(viii) and (ix) above shall be disseminated automatically and need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owners of affected Bonds pursuant to the Bond Resolutions.

Section 8. **Termination of Reporting Obligation**. The Issuer's obligations under this Disclosure Agreement shall terminate as to a particular series of the Bonds upon the legal defeasance, prior redemption, or payment in full of the affected series of Bonds. If such termination occurs prior to the final maturity of the affected series of Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 7(c) hereof.

Section 9. **Dissemination Agent**. The Issuer may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement, and the Issuer may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Issuer shall be the dissemination agent.

Section 10. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted by the Issuer;

(b) such amendment or waiver does not materially impair the interests of the Beneficial Owners, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the Issuer or by the approving vote of the Beneficial Owners owning more than two-thirds in aggregate principal amount of the Bonds outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate Rule 15c2-12 if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of Rule 15c2-12, as well as any change in circumstances.

If any provision of Section 5 hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

If the provisions of Section 5 hereof specifying the accounting principles to be followed in preparing the Issuer's financial statements are amended or waived, the Annual Filing for the Fiscal Year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The Issuer shall file a notice of the change in the accounting principles in the same manner as for a Listed Event under Section 7(c) hereof on or before the effective date of any such amendment or waiver.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Third-Party Beneficiary may take such actions as may be necessary or appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a "default" or an "event of default" under the Bond Resolutions, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance. The cost to the Issuer of performing its obligations under the provisions hereof shall be paid solely from funds lawfully available for such purpose. Nothing contained in the Bond Resolutions or in this Disclosure Agreement shall obligate the levy of any tax for the Issuer's obligations set forth herein.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Neither this Disclosure Agreement, nor the performance by the Issuer of its obligations hereunder, shall create any third party beneficiary rights, shall be directly enforceable by any third party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, Rule 15c2-12; provided, however, the Participating Underwriters and the Beneficial Owners are hereby made third party beneficiaries hereof (collectively, and each respectively, a "Third Party Beneficiary") and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 11 hereof.

Section 13. Intermediaries; Expenses. The Dissemination Agent appointed hereunder, if any, is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, excluding choice of law provisions, and applicable federal law.

Section 16. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

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SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT

FOR

STATE OF GEORGIA GENERAL OBLIGATION BONDS 2022A

STATE OF GEORGIA GENERAL OBLIGATION BONDS 2022B (FEDERALLY TAXABLE)

STATE OF GEORGIA GENERAL OBLIGATION REFUNDING BONDS 2022C

This Continuing Disclosure Agreement is hereby executed and delivered by a duly authorized official of the Issuer, to be effective as of the Effective Date.

STATE OF GEORGIA

By: /s/___________________
GREG S. GRIFFIN
Secretary and Treasurer, Georgia State Financing and Investment Commission

APPENDIX E

Form of Opinion of Bond Counsel

2022A Bonds

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GRAY PANNELL & WOODWARD LLP
Attorneys at Law

323 East Congress Street
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(912) 443-4040

One Ninety One Peachtree Tower
191 Peachtree Road, N.E., Suite 3280
Atlanta, GA 30303
(404) 480-8899

gpwlawfirm.com

[Date of Closing]

Georgia State Financing and Investment Commission
State Capitol
Atlanta, Georgia

Re: $___________ STATE OF GEORGIA GENERAL OBLIGATION BONDS 2022A

To the Addressee:

We have acted as bond counsel to the State of Georgia (the "State") and the Georgia State Financing and Investment Commission (the "Commission") in connection with the issuance by the State of its $___________ STATE OF GEORGIA GENERAL OBLIGATION BONDS 2022A (the "2022A Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including the resolution of the Commission adopted on April 11, 2022, as supplemented and amended on June __, 2022* (together, the "Resolution") authorizing the issuance of the 2022A Bonds.

As to questions of fact material to our opinion, we have relied upon certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The 2022A Bonds have been duly authorized and executed by the State, and are valid and binding general obligations of the State in accordance with their terms.

2. Under the Constitution of the State of Georgia (the "State Constitution"), the General Assembly of the State is required to raise by taxation and to appropriate to a special trust fund designated STATE OF GEORGIA GENERAL OBLIGATION DEBT SINKING FUND (the "Sinking Fund") in each fiscal year such amounts as are necessary to pay the debt service requirements in such fiscal year on all general obligation bonds issued pursuant to the State Constitution. The State Constitution also provides that if for any reason the monies in the Sinking Fund are insufficient to make, when due, all payments required with respect to general obligation bonds, the first revenues thereafter received in the general fund of the State shall be set aside to the extent necessary to cure the deficiency and deposited into the Sinking Fund; provided, however, the obligation to make such Sinking Fund deposits shall be subordinate to the obligation imposed upon the fiscal officers of the State pursuant to the provisions of Article VII, Section IV, Paragraph III

of the State Constitution with respect to contracts of the State securing outstanding obligations of various State authorities. The State Constitution now provides that the State and all State institutions, departments, and agencies of the State are prohibited from entering into any contract (except contracts pertaining to guaranteed revenue debt) intended to secure any bonds or other obligations of any public agency, public corporation, authority, or similar entity.

3. The full faith, credit, and taxing power of the State are pledged to the payment of the principal of and interest on the 2022A Bonds.

4. Interest on the 2022A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the State and the Commission comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2022A Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The State and the Commission have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2022A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2022A Bonds. We express no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the 2022A Bonds.

5. The interest on the 2022A Bonds is exempt from present State of Georgia income taxation.

6. Under existing law, registration of the 2022A Bonds with the Securities and Exchange Commission is not required under the Securities Act of 1933, as amended, in connection with the offering and sale of the 2022A Bonds and the Resolution is not required to be qualified under the Trust Indenture Act of 1939.

7. The 2022A Bonds are exempt from the registration provisions of the Georgia Uniform Securities Act of 2008 by virtue of O.C.G.A. § 10-5-10(1) thereof.

The rights of the owners of the 2022A Bonds and the enforceability of the 2022A Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement, dated _______, 2022, relating to the 2022A Bonds. Further, we express no opinion regarding tax consequences arising with respect to the 2022A Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: ___________________________________
A Partner

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APPENDIX F

Form of Opinion of Bond Counsel

2022B Bonds

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Attorneys at Law

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Atlanta, GA 30303
(404) 480-8899

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[Date of Closing]

Georgia State Financing and Investment Commission
State Capitol
Atlanta, Georgia

Re: $___________ STATE OF GEORGIA GENERAL OBLIGATION BONDS 2022B (FEDERALLY TAXABLE)

To the Addressee:

We have acted as bond counsel to the State of Georgia (the "State") and the Georgia State Financing and Investment Commission (the "Commission") in connection with the issuance by the State of its $___________ STATE OF GEORGIA GENERAL OBLIGATION BONDS 2022B (FEDERALLY TAXABLE) (the "2022B Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including the resolution of the Commission adopted on April 11, 2022, as supplemented and amended on June __, 2022* (together, the "Resolution") authorizing the issuance of the 2022B Bonds.

As to questions of fact material to our opinion, we have relied upon certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The 2022B Bonds have been duly authorized and executed by the State, and are valid and binding general obligations of the State in accordance with their terms.

2. Under the Constitution of the State of Georgia (the "State Constitution"), the General Assembly of the State is required to raise by taxation and to appropriate to a special trust fund designated STATE OF GEORGIA GENERAL OBLIGATION DEBT SINKING FUND (the "Sinking Fund") in each fiscal year such amounts as are necessary to pay the debt service requirements in such fiscal year on all general obligation bonds issued pursuant to the State Constitution. The State Constitution also provides that if for any reason the monies in the Sinking Fund are insufficient to make, when due, all payments required with respect to general obligation bonds, the first revenues thereafter received in the general fund of the State shall be set aside to the extent necessary to cure the deficiency and deposited into the Sinking Fund; provided, however, the obligation to make such Sinking Fund deposits shall be subordinate to the obligation imposed upon the fiscal officers of the State pursuant to the provisions of Article VII, Section IV, Paragraph III of the State Constitution with respect to contracts of the State securing outstanding obligations of

various State authorities. The State Constitution now provides that the State and all State institutions, departments, and agencies of the State are prohibited from entering into any contract (except contracts pertaining to guaranteed revenue debt) intended to secure any bonds or other obligations of any public agency, public corporation, authority, or similar entity.

3. The full faith, credit, and taxing power of the State are pledged to the payment of the principal of and interest on the 2022B Bonds.

4. The interest on the 2022B Bonds is not excludable from gross income for federal income tax purposes. The interest on the 2022B Bonds is exempt from present State of Georgia income taxation.

5. Under existing law, registration of the 2022B Bonds with the Securities and Exchange Commission is not required under the Securities Act of 1933, as amended, in connection with the offering and sale of the 2022B Bonds and the Resolution is not required to be qualified under the Trust Indenture Act of 1939.

6. The 2022B Bonds are exempt from the registration provisions of the Georgia Uniform Securities Act of 2008 by virtue of O.C.G.A. § 10-5-10(1) thereof.

The rights of the owners of the 2022B Bonds and the enforceability of the 2022B Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement, dated _______, 2022, relating to the 2022B Bonds. Further, we express no opinion regarding tax consequences arising with respect to the 2022B Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: ________________________________
A Partner

APPENDIX G

Form of Opinion of Bond Counsel

2022C Bonds

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GRAY PANNELL & WOODWARD LLP
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(404) 480-8899

gpwlawfirm.com

[Date of Closing]

Georgia State Financing and Investment Commission
State Capitol
Atlanta, Georgia

Re: $___________ STATE OF GEORGIA GENERAL OBLIGATION REFUNDING BONDS 2022C

To the Addressee:

We have acted as bond counsel to the State of Georgia (the "State") and the Georgia State Financing and Investment Commission (the "Commission") in connection with the issuance by the State of its $___________ STATE OF GEORGIA GENERAL OBLIGATION REFUNDING BONDS 2022C (the "2022C Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including the resolution of the Commission adopted on April 11, 2022, as supplemented and amended on June __, 2022* (together, the "Resolution") authorizing the issuance of the 2022C Bonds.

As to questions of fact material to our opinion, we have relied upon certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The 2022C Bonds have been duly authorized and executed by the State, and are valid and binding general obligations of the State in accordance with their terms.

2. Under the Constitution of the State of Georgia (the "State Constitution"), the General Assembly of the State is required to raise by taxation and to appropriate to a special trust fund designated STATE OF GEORGIA GENERAL OBLIGATION DEBT SINKING FUND (the "Sinking Fund") in each fiscal year such amounts as are necessary to pay the debt service requirements in such fiscal year on all general obligation bonds issued pursuant to the State Constitution. The State Constitution also provides that if for any reason the monies in the Sinking Fund are insufficient to make, when due, all payments required with respect to general obligation bonds, the first revenues thereafter received in the general fund of the State shall be set aside to the extent necessary to cure the deficiency and deposited into the Sinking Fund; provided, however, the obligation to make such Sinking Fund deposits shall be subordinate to the obligation imposed upon the fiscal officers of the State pursuant to the provisions of Article VII, Section IV, Paragraph III of the State Constitution with respect to contracts of the State securing outstanding obligations of

various State authorities. The State Constitution now provides that the State and all State institutions, departments, and agencies of the State are prohibited from entering into any contract (except contracts pertaining to guaranteed revenue debt) intended to secure any bonds or other obligations of any public agency, public corporation, authority, or similar entity.

3. The full faith, credit, and taxing power of the State are pledged to the payment of the principal of and interest on the 2022C Bonds.

4. Interest on the 2022C Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the State and the Commission comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2022C Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The State and the Commission have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2022C Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2022C Bonds. We express no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the 2022C Bonds.

5. The interest on the 2022C Bonds is exempt from present State of Georgia income taxation.

6. Under existing law, registration of the 2022C Bonds with the Securities and Exchange Commission is not required under the Securities Act of 1933, as amended, in connection with the offering and sale of the 2022C Bonds and the Resolution is not required to be qualified under the Trust Indenture Act of 1939.

7. The 2022C Bonds are exempt from the registration provisions of the Georgia Uniform Securities Act of 2008 by virtue of O.C.G.A. § 10-5-10(1) thereof.

The rights of the owners of the 2022C Bonds and the enforceability of the 2022C Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement, dated June   , 2022, relating to the 2022C Bonds. Further, we express no opinion regarding tax consequences arising with respect to the 2022C Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: ________________________________
A Partner

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APPENDIX H

Currently Outstanding Bonds to be Refunded
By 2022C Bonds

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The State is proposing to refund certain outstanding general obligation bonds as shown below. The bonds to be refunded are not final and are subject to change. The State reserves the right to refund all bonds to be refunded in full or in part as to principal amount, a portion of, or none of the bonds listed below, and also reserves the right to refund bonds in addition to, or lieu of, those listed below. In the event that any of the bonds or principal amounts listed are not refunded with proceeds of 2022C Bonds, the State reserves the right to refund any such bonds or portions thereof in the future.

THE 2022C REFUNDED BONDS – ALL REDEMPTIONS AT 100% (PAR)					
Bond Series*	CUSIP*	Maturity Date*	Interest Rate*	Par Amount*	Redemption Date*
2011I	373384XJ0	November 1, 2023	4.000%	$ 10,770,000	July 7, 2022
2011I	373384XK7	November 1, 2024	4.000	11,320,000	July 7, 2022
2011I	373384XL5	November 1, 2025	4.000	11,400,000	July 7, 2022
2011I	373384XM3	November 1, 2026	3.250	12,460,000	July 7, 2022
2011I	373384XN1	November 1, 2027	4.000	13,150,000	July 7, 2022
2011I	373384XP6	November 1, 2028	4.000	13,825,000	July 7, 2022
2011I	373384XQ4	November 1, 2029	4.000	14,540,000	July 7, 2022
2011I	373384XR2	November 1, 2030	4.000	15,280,000	July 7, 2022
2011I	373384XS0	November 1, 2031	4.000	16,065,000	July 7, 2022
2012A	373384YN0	July 1, 2023	5.000	21,160,000	July 7, 2022
2012A	373384YP5	July 1, 2024	5.000	22,220,000	July 7, 2022
2012A	373384YQ3	July 1, 2025	5.000	23,330,000	July 7, 2022
2012A	373384YR1	July 1, 2026	5.000	24,495,000	July 7, 2022
2012A	373384YS9	July 1, 2027	5.000	25,720,000	July 7, 2022
2012A	373384YT7	July 1, 2028	5.000	27,005,000	July 7, 2022
2012A	373384YU4	July 1, 2029	3.000	28,355,000	July 7, 2022
2012A	373384YV2	July 1, 2030	5.000	29,775,000	July 7, 2022
2012A	373384YW0	July 1, 2031	4.000	31,095,000	July 7, 2022
2012A	373384YX8	July 1, 2032	4.000	32,305,000	July 7, 2022
2012C	373384YB6	September 1, 2023	5.000	31,710,000	September 1, 2022
2013C	373384ZY5	October 1, 2023	4.000	70,525,000	October 1, 2022
2013C	373384ZZ2	October 1, 2024	4.000	35,670,000	October 1, 2022

Note: CUSIPs are not assigned by the State or Commission, are included herein only for convenience, and no representation as to their accuracy is implied or may be inferred by any reader.

* Preliminary, Subject to Change

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APPENDIX I

OFFICIAL NOTICE OF SALE

STATE OF GEORGIA

$494,215,000* GENERAL OBLIGATION BONDS 2022A
and
$482,445,000* GENERAL OBLIGATION REFUNDING BONDS 2022C

Bidding As:

$243,355,000* General Obligation Bonds 2022A ("Tax-Exempt Bidding Group 1")

$250,860,000* General Obligation Bonds 2022A ("Tax-Exempt Bidding Group 2")

$260,515,000* General Obligation Refunding Bonds 2022C ("Tax-Exempt Bidding Group 3")

$221,930,000* General Obligation Refunding Bonds 2022C ("Tax-Exempt Bidding Group 4")

** Preliminary, subject to change.*

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OFFICIAL NOTICE OF SALE

STATE OF GEORGIA

$494,215,000* GENERAL OBLIGATION BONDS 2022A ("2022A BONDS")

and

$482,445,000* GENERAL OBLIGATION REFUNDING BONDS 2022C ("2022C BONDS")

Bidding As:

$243,355,000* General Obligation Bonds ("Tax-Exempt Bidding Group 1")

$250,860,000* General Obligation Bonds ("Tax-Exempt Bidding Group 2")

$260,515,000* General Obligation Refunding Bonds ("Tax-Exempt Bidding Group 3")

$221,930,000* General Obligation Refunding Bonds ("Tax-Exempt Bidding Group 4")

(Collectively, the "Tax-Exempt Bonds")

For bidding purposes only, the bonds from the 2022A Bonds and 2022C Bonds are being divided into bidding groups as shown in the maturity schedules provided within this Official Notice of Sale; however, bonds will retain their distinction as being either 2022A Bonds or 2022C Bonds for all purposes other than bidding. Separate bids will be received electronically (as described in further detail below) by the Georgia State Financing and Investment Commission (the "Commission") for the purchase through a single bid of each of the following:

(i) $243,355,000* of State of Georgia General Obligation Bonds 2022A maturing on each July 1 from July 1, 2023 to July 1, 2034*, inclusive (the "Tax-Exempt Bidding Group 1 Bonds");

(ii) $250,860,000* of State of Georgia General Obligation Bonds 2022A maturing on each July 1 from July 1, 2035* to July 1, 2042, inclusive (the "Tax-Exempt Bidding Group 2 Bonds");

(iii) $260,515,000* of State of Georgia General Obligation Refunding Bonds 2022C maturing on each July 1 from July 1, 2023* to July 1, 2026*, inclusive (the "Tax-Exempt Bidding Group 3 Bonds"); and

(iv) $221,930,000* of State of Georgia General Obligation Refunding Bonds 2022C maturing on each July 1 from July 1, 2027* to July 1, 2032*, inclusive (the "Tax-Exempt Bidding Group 4 Bonds").

Collectively, the Tax-Exempt Bidding Group 1 Bonds, the Tax-Exempt Bidding Group 2 Bonds, the Tax-Exempt Bidding Group 3 Bonds, and the Tax-Exempt Bidding Group 4 Bonds will be referred to as the "Tax-Exempt Bonds." Separate all or none ("AON") bids will be received for each bidding group via **PARITY®**, on the following date and times:

SALE DATE: WEDNESDAY, JUNE 22, 2022*

Bidding Group	Time
Tax-Exempt Bidding Group 1 Bonds	10:00 AM EDT
Tax-Exempt Bidding Group 2 Bonds	10:30 AM EDT
Tax-Exempt Bidding Group 3 Bonds	11:00 AM EDT
Tax-Exempt Bidding Group 4 Bonds	11:30 AM EDT

* *Preliminary, subject to change.*

Bidders may submit electronic bids for any of the bidding groups of Tax-Exempt Bonds, but each as a separate electronic bid. **THE SALE AND DELIVERY OF BOTH THE TAX-EXEMPT BIDDING GROUP 1 BONDS AND THE TAX-EXEMPT BIDDING GROUP 2 BONDS ARE CONTINGENT UPON THE SALE AND DELIVERY OF THE OTHER BIDDING GROUP OF 2022A BONDS. THE SALE AND DELIVERY OF BOTH THE TAX-EXEMPT BIDDING GROUP 3 BONDS AND THE TAX-EXEMPT BIDDING GROUP 4 BONDS ARE CONTINGENT UPON THE SALE AND DELIVERY OF THE OTHER BIDDING GROUP OF 2022C BONDS.**

DESCRIPTION OF THE TAX-EXEMPT BONDS – BIDDING GROUPS

The Tax-Exempt Bonds will be dated the date of delivery, expected to be on or about July 7, 2022*, and will be issued in book-entry form only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof. Both principal and semiannual interest are payable by the designated corporate trust office of The Bank of New York Trust Company, N.A., as Paying Agent. For the Tax-Exempt Bonds, interest is payable each July 1 and January 1 with the first interest payment due on January 1, 2023. The Tax-Exempt Bonds mature on July 1 of the years as set forth in the tables shown below:

$494,215,000 GENERAL OBLIGATION BONDS 2022A		
Maturity Years (July 1)	**Tax-Exempt Bidding Group 1 Principal***	**Tax-Exempt Bidding Group 2 Principal***
2023	$16,565,000	-
2024	17,415,000	-
2025	18,305,000	-
2026	19,240,000	-
2027	20,230,000	-
2028	18,545,000	-
2029	19,500,000	-
2030	20,500,000	-
2031	21,550,000	-
2032	22,655,000	-
2033	23,815,000	-
2034	25,035,000	-
2035	-	$26,320,000
2036	-	27,670,000
2037	-	29,090,000
2038	-	30,580,000
2039	-	32,150,000
2040	-	33,625,000
2041	-	35,000,000
2042	-	36,425,000
Aggregate Principal Amount	**$243,355,000**	**$250,860,000**

* *Preliminary, subject to change.*

$482,445,000* GENERAL OBLIGATION REFUNDING BONDS 2022C		
Maturity Years (July 1)	**Tax-Exempt Bidding Group 3 Principal***	**Tax-Exempt Bidding Group 4 Principal***
2023	$130,160,000	-
2024	65,570,000	-
2025	31,445,000	-
2026	33,340,000	-
2027	-	$34,900,000
2028	-	36,425,000
2029	-	38,325,000
2030	-	40,495,000
2031	-	42,685,000
2032	-	29,100,000
Aggregate Principal Amount	**$260,515,000**	**$221,930,000**

* *Preliminary, subject to change.*

SERIAL BONDS

All the Tax-Exempt Bonds will be serial bonds unless the successful bidder shall designate consecutive principal maturities within a bidding group to be combined into one or more term bonds. Any such term bonds shall be subject to mandatory sinking fund redemption commencing on July 1 of the first year which has been combined to form such term bond and continuing each July 1 of each year thereafter until the stated maturity date of that term bond. The principal amount redeemed in any year shall be equal to the principal amount for each such year set forth in the amortization schedule for the respective bidding group of the Tax-Exempt Bonds, as shown above. The Tax-Exempt Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected as described in the Preliminary Official Statement from among Tax-Exempt Bonds of the same maturity.

ADJUSTMENT OF PRINCIPAL AMOUNT OF THE TAX-EXEMPT BONDS

Each schedule of maturities set forth above for the Tax-Exempt Bonds (the "Tax-Exempt Bonds Initial Maturity Schedule") represents an estimate of the principal amount of Tax-Exempt Bonds that will be sold. The Commission reserves the right to change the Tax-Exempt Bonds Initial Maturity Schedule by announcing any such change not later than 9:00AM EDT on the day of the bids via a supplement to this Official Notice of Sale to be posted on www.munios.com. The resulting schedule of maturities (the "Tax-Exempt Bonds Bid Maturity Schedule") for the Tax-Exempt Bonds may or may not be identical to the Tax-Exempt Bonds Initial Maturity Schedule. Furthermore, if no such change is announced, the Tax-Exempt Bonds Initial Maturity Schedule will become the Tax-Exempt Bonds Bid Maturity Schedule for the Tax-Exempt Bonds.

After determination of the winning bidder of each bidding group, the Commission reserves the right to change the Tax-Exempt Bonds Bid Maturity Schedule for the Tax-Exempt Bonds (the "Tax-Exempt Bonds Final Maturity Schedule"), by increasing or decreasing the aggregate principal amount by an amount not to exceed 10% of the stated aggregate principal amount for each bidding group of Tax-Exempt Bonds. In such event, the dollar amount bid by the applicable successful bidder will be adjusted to reflect any adjustment in the aggregate principal amount of the applicable bidding group of the Tax-Exempt Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of the respective bidding group from the selling compensation that would have been received based on the purchase price in the applicable winning bid and the provided initial reoffering prices set forth in such bid.

Each successful bidder may not withdraw its bid or change interest rates bid for the applicable bidding group of the Tax-Exempt Bonds as a result of any changes made to the principal amounts of each maturity in accordance with the aforementioned terms. The Commission will notify the successful bidder of any adjustment to the Tax-Exempt Bonds Bid Maturity Schedule not later than 5:00 PM EDT on the day of the sale.

RIGHT TO CHANGE THE SALE AND SUPPLEMENT NOTICE OF SALE

The Commission reserves the right to change, from time to time, the date and/or times established for the receipt of bids. A change of the bid date and/or times will be announced via a supplement to this Official Notice of Sale to be posted on www.munios.com not later than 9:00AM EDT, on the announced date for receipt of bids, and an alternative sale date and times will be announced via a supplement to this Official Notice of Sale to be posted on www.munios.com by 3:00PM EDT, at least one business day prior to such alternative date and times for receipt of bids.

On such alternative date and times for receipt of bids for the various bidding groups as shown above, the Commission will accept electronic bids for the purchase of the Tax-Exempt Bonds, such bids to conform in all respects to the provisions of this Official Notice of Sale, except for the changes in the date and times for receipt of bids and any other changes announced via a supplement to this Official Notice of Sale to be posted on www.munios.com.

In addition, any other information in connection with the offer and sale of the Tax-Exempt Bonds will be given to prospective bidders via a supplement to this Official Notice of Sale to be posted on www.munios.com, and any such supplemental information shall be deemed a part of this Official Notice of Sale.

BOOK ENTRY

The Tax-Exempt Bonds will be issued in book-entry form, as more fully described in the Preliminary Official Statement. Beneficial owners of the Tax-Exempt Bonds will not receive physical delivery of Tax-Exempt Bond certificates. Principal and interest payments on the Tax-Exempt Bonds will be made to Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as depository for the Tax-Exempt Bonds. Such payments then will be distributed to the participating members of DTC, and by such participating members to the beneficial owners of the Tax-Exempt Bonds.

OPTIONAL REDEMPTION

The Tax-Exempt Bonds maturing on or before July 1, 2032* are not subject to optional redemption prior to their stated maturity. The Tax-Exempt Bonds maturing on or after July 1, 2033* will be subject to redemption at the option of the Commission, on behalf of the State, on and after July 1, 2032*, and prior to their stated maturity, in whole or in part at any time at a redemption price equal to the principal amount of the Tax-Exempt Bonds to be redeemed, plus accrued and unpaid interest thereon to the date fixed for redemption.

AUTHORIZATION AND SECURITY

The Tax-Exempt Bonds will be issued by the Commission for and on behalf of the State of Georgia (the "State") pursuant to powers granted to the Commission in the Constitution of the State of Georgia, the Act of the Georgia General Assembly creating the Commission, and the authorizing resolutions of the Commission. The Tax-Exempt Bonds so issued constitute direct and general obligations of the State for the payment of which the full faith, credit, and taxing power of the State are pledged.

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* *Preliminary, subject to change.*

DELIVERY AND PAYMENT

Delivery of the Tax-Exempt Bonds will be made in New York, New York as soon as the Tax-Exempt Bonds can be prepared, which is expected to be July 7, 2022*. However, the successful bidder shall allow 30 days from the date of acceptance of bids for delivery. Payment for the Tax-Exempt Bonds shall be made in federal funds.

CUSIP NUMBERS AND DTC ELIGIBILITY

Public Resources Advisory Group, co-municipal advisor to the State ("Co-Municipal Advisor"), will timely apply for CUSIP numbers with respect to the Tax-Exempt Bonds as required by MSRB Rule G-34. It is anticipated that CUSIP numbers will be printed on the Tax-Exempt Bonds, but the failure to print such CUSIP numbers on any Tax-Exempt Bond or any error with respect thereto shall not constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Tax-Exempt Bonds. It will be the responsibility of each successful bidder to timely obtain and pay for the assignment of such CUSIP numbers.

It is anticipated that the Tax-Exempt Bonds will be eligible for custodial deposit with DTC; however, it will be the responsibility of each successful bidder to obtain such eligibility. Failure of the successful bidder to obtain DTC eligibility will not constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the applicable bidding group of the Tax-Exempt Bonds in accordance with its bid and agreement to purchase such bidding group of the Tax-Exempt Bonds.

LEGAL OPINIONS AND CLOSING CERTIFICATES

The Tax-Exempt Bonds have been validated by the Superior Court of Fulton County, Georgia, and delivery will be accompanied by an execution, signature and no-litigation certificate and a tax and non-arbitrage certificate and agreement. The legality of the proceedings and the Tax-Exempt Bonds will be approved by Gray Pannell & Woodward LLP, Savannah and Atlanta, Georgia, Bond Counsel, the cost of whose approving opinion will be paid by the State. The State also will furnish to each successful bidder at the closing of the purchase of the Tax-Exempt Bonds: (i) a certificate of authorized officers of the Commission to the effect that, to the best knowledge, information, and belief of such officers, the Preliminary Official Statement used in connection with the Tax-Exempt Bonds did not on the date of sale, and the final Official Statement does not on the date of delivery, contain any misstatement of a material fact or omit to state a material fact necessary to make the statements therein contained, in light of the circumstances under which they were made, not misleading and (ii) an opinion of Kutak Rock LLP, Atlanta, Georgia, disclosure counsel to the State, to the effect that their performance of certain services, their participation in certain discussions, and their examination of certain factual certifications and legal opinions did not disclose to them any information that would lead them to believe that the Preliminary Official Statement or the final Official Statement (excluding any financial, statistical, demographic and numerical information, any forecasts, estimates, assumptions or expressions of opinion, and information regarding DTC and its book-entry only system of registration, as to all of which no opinion is expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

A Preliminary Official Statement for the Tax-Exempt Bonds has been prepared by the Commission. The Preliminary Official Statement will be deemed by the Commission to be final for the purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), except for certain omissions permitted thereunder. In order to assist bidders in complying with paragraph (b)(5) of Rule 15c2-12, the State will undertake, pursuant to the resolutions authorizing the issuance of the Tax-Exempt Bonds and a Continuing Disclosure Agreement delivered simultaneously with the Tax-Exempt Bonds, to provide annual reports and notices of certain material events in accordance with the provisions of Rule

* *Preliminary, subject to change.*

15c2-12. A form of the Continuing Disclosure Agreement is set forth in APPENDIX D of the Preliminary Official Statement and will be set forth in the final Official Statement. The State's failure to deliver the Continuing Disclosure Agreement on the date of issuance and delivery of the Tax-Exempt Bonds shall relieve the successful bidder of its obligation to purchase the Tax-Exempt Bonds.

As of the date hereof, the State is not aware of any instances in the previous five years in which it has failed to comply in any material respect with any previous undertaking entered into pursuant to Rule 15c2-12. See "CONTINUING DISCLOSURE" in the Preliminary Official Statement.

BIDDING PROCEDURES

Bids must be submitted electronically at the times as shown above for the respective bidding groups of Tax-Exempt Bonds (each bidding group on an all or none basis) by means of the respective bidding group "AON Bid Form" via ***PARITY***®. By submitting a bid for the respective bidding group of Tax-Exempt Bonds, a bidder represents and warrants to the Commission that the bidder has an established industry reputation for underwriting new issuances of municipal bonds and such bidder's bid is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the respective bidding group of the Tax-Exempt Bonds. **Once a final bid is communicated electronically via *PARITY*® to the Commission, the bid will constitute an irrevocable offer to purchase the applicable bidding group of the Tax-Exempt Bonds on the terms herein and therein provided.** For purposes of the electronic bidding process, the time as maintained on the ***PARITY***® system shall constitute the official time. The Commission reserves the right to reject any and all bids and to waive any informalities in any and all bids.

DISCLAIMER

*Each bidder shall be solely responsible for making the necessary arrangements to access the **PARITY**® system for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Commission nor **PARITY**® shall have any duty or obligation to provide or assure such access to any bidder; neither the Commission nor **PARITY**® shall be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, the **PARITY**® system. The Commission is authorizing the use of **PARITY**® as a communication mechanism to conduct the electronic bidding for the Tax-Exempt Bonds; the owners of such services are not agents of the Commission. The Commission is not bound by any advice and determination of **PARITY**® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the specifications set forth in "BID SPECIFICATIONS" and "BASIS OF AWARD" below. All costs and expenses incurred by bidders in connection with their registration via **PARITY**® are the sole responsibility of such bidders.*

BID SPECIFICATIONS

General: Bidders may name the rate or rates of interest the bonds of each respective bidding group of Tax-Exempt Bonds are to bear in multiples of 1/100 of 1%. All Tax-Exempt Bonds of each maturity must bear a single rate. No bid for other than the entire bidding group of each respective bidding group of Tax-Exempt Bonds will be considered. No bid for less than 100.1% of the aggregate principal amount of each respective bidding group of Tax-Exempt Bonds will be considered. All bids must be unconditional.

Tax-Exempt Bidding Group 1 Bonds: For maturities from July 1, 2023* through and including July 1, 2034*, the interest rate must be 5.00%.

Tax-Exempt Bidding Group 2 Bonds: For maturities from July 1, 2035* through and including July 1, 2039*, the interest rate must be 5.00%. For maturities from July 1, 2040* through and including July 1, 2042*, the interest rate may not be lower than 4.00%* and may not exceed 5.00%.

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* *Preliminary, subject to change.*

Tax-Exempt Bidding Group 3 Bonds: For the July 1, 2023* maturity, the interest rate must be 5.00%, and for maturities from July 1, 2024* through and including July 1, 2026*, the interest rate must be 4.00%.

Tax-Exempt Bidding Group 4 Bonds: For maturities from July 1, 2027* through and including July 1, 2029*, the interest rate must be 4.00% and for maturities from July 1, 2030* through and including July 1, 2032*, the interest rate must be 5.00%.

BASIS OF AWARD

Each bidding group of the Tax-Exempt Bonds will be awarded to the bidder submitting a bid in conformance with this Official Notice of Sale that produces the lowest true interest cost (TIC) (the "successful bidder" or "Purchaser") on the applicable bidding group of the Tax-Exempt Bonds based on the Tax-Exempt Bonds Bid Maturity Schedule. The true interest cost (expressed as an annual interest rate) will be the rate necessary, when using a 360-day year comprised of twelve 30-day months and semiannual compounding, to discount the debt service payments for the respective bidding group of Tax-Exempt Bonds from the payment dates to the date of the Tax-Exempt Bonds and to the aggregate price bid for the respective bidding group of Tax-Exempt Bonds.

In case of a tie with respect to any bidding group of Tax-Exempt Bonds, the successful bidder will be determined based on which bid was submitted first. The time as maintained on the ***PARITY***® system shall constitute the official time. In the case of a tie with the time, the successful bidder will be determined by lot.

AWARD OF THE TAX-EXEMPT BONDS

The Commission will notify each apparent successful bidder as soon as possible after bids for each bidding group have been received and verified (the "Verbal Award"), that such bidder's bid is the lowest and best bid received which conforms to the requirements of this Official Notice of Sale, subject to verification and official action by the Commission. **The award of the respective bidding groups of Tax-Exempt Bonds will be considered at the Commission meeting to be held beginning at 8:45AM EDT, on Thursday, June 23, 2022* (the "Sale Date"), and the Commission's acceptance of each winning bid shall be made to each successful bidder as promptly as possible thereafter.**

UNDERTAKINGS OF THE SUCCESSFUL BIDDER

The successful bidders shall make a bona fide public offering of each maturity of the applicable bidding group of the Tax-Exempt Bonds awarded to it and shall, within 30 minutes of being notified of the award of a bidding group of the Tax-Exempt Bonds, advise the State in writing (via electronic transmission) of the initial public offering prices of the applicable bidding group of the Tax-Exempt Bonds awarded to it (the "Initial Reoffering Prices"). Each successful bidder must provide the Initial Reoffering Prices to the Commission. Such reoffering prices and yields, among other things, will be used by the Commission to calculate the final principal amount of each maturity and the final aggregate principal amount of the Tax-Exempt Bonds. Each successful bidder will be responsible to the Commission in all respects for the accuracy and completeness of any information it provides with respect to such reoffering. Each successful bidder must, by electronic transmission or delivery received by the Commission within 24 hours after notification of the award, furnish the following information to Bond Counsel to complete the Official Statement in final form, as described below:

A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Tax-Exempt Bonds awarded to it are sold at the prices or yields at which the successful bidder advised the Commission that the applicable bidding group of the Tax-Exempt Bonds were initially offered to the public).

B. The identity of the underwriters if the successful bidder is part of a group or syndicate.

C. Any other material information the Commission determines is necessary to complete the Official Statement in final form.

ESTABLISHMENT OF ISSUE PRICE

Each successful bidder shall assist the Commission in establishing the issue price of the respective bidding group of the Tax-Exempt Bonds to be purchased by such successful bidder and shall execute and deliver to the Commission on or prior to the date of delivery of the Tax-Exempt Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering prices to the public or the sales price or prices of the applicable bidding group of the Tax-Exempt Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form attached hereto as Exhibit A with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Commission and Bond Counsel to the State.

The Commission intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of each Bidding Group of the Tax-Exempt Bonds) will apply to the initial sale of each bidding group of the Tax-Exempt Bonds ("competitive sale requirements") because:

1) the Commission has disseminated this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

2) all bidders shall have an equal opportunity to bid;

3) the Commission expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

4) the Commission anticipates awarding the sale of each bidding group of the Tax-Exempt Bonds to the bidder who submits a firm offer to purchase such bidding group of the Tax-Exempt Bonds at the lowest true interest cost submitted by all bidders for such bidding group, as set forth in this Official Notice of Sale.

In the event the competitive sale requirements are not satisfied for any applicable bidding group of the Tax-Exempt Bonds, the Commission shall so advise the successful bidder. In such case, the Commission will treat the initial offering price to the public as of the sale date of any maturity of the applicable bidding group of the Tax-Exempt Bonds as the issue price of that maturity (the "hold-the-offering-price rule"). The successful bidder will not be permitted to cancel or withdraw its bid in the event the Commission determines to apply the hold-the-offering-price rule to any maturity of the applicable bidding group of the Tax-Exempt Bonds. **Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm bid for the purchase of the applicable bidding group of the Tax-Exempt Bonds.** As specified in "BIDDING PROCEDURES" above, by submitting a bid for a bidding group of the Tax-Exempt Bonds, a bidder represents and warrants to the Commission that the bidder has an established industry reputation for underwriting new issuances of municipal bonds and such bidder's bid is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of such bidding group of the Tax-Exempt Bonds. Once the bids are communicated electronically via PARITY® to the Commission, each bid will constitute an irrevocable offer to purchase the applicable bidding group of the Tax-Exempt Bonds on the terms herein and therein provided.

By submitting a bid, each successful bidder shall (i) confirm that the underwriters have offered or will offer the applicable bidding group of the Tax-Exempt Bonds to the public on or before the date of award at the reasonably expected offering price or prices (the "initial offering price"), and (ii) agree, on behalf of the underwriters participating in the purchase of the applicable bidding group of the Tax-Exempt Bonds, that the underwriters will neither offer nor sell unsold bonds of the applicable bidding group of Tax-Exempt Bonds, as applicable, of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date (as defined in "AWARD OF THE Tax-Exempt BONDS" above) and ending on the earlier of the following:

1) the close of the fifth (5^{th}) business day after the sale date; or

2) the date on which the underwriters have sold at least 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the Commission when the underwriters have sold 10% of any such maturity of the applicable bidding group of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date and shall provide documentation satisfactory to Bond Counsel to the State and the Commission.

The Commission acknowledges that if the "hold-the-offering-price" applies, the successful bidder will rely on (i) the applicable agreement of each underwriter to comply with the requirements for establishing the issue price for the bidding group of the Tax-Exempt Bonds awarded to it, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bidding group of the Tax-Exempt Bonds, as set forth in an applicable agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bidding group of the Tax-Exempt Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing the issue price for such bidding group of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bidding group of the Tax-Exempt Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third party distribution agreement that was employed in connection with the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price for the applicable bidding group of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bidding group of the Tax-Exempt Bonds, as set forth in the third party distribution agreement and the related pricing wires.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third party distribution agreement (to which the bidder is a party) relating to the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third party distribution agreement, as applicable, to comply with the hold-the-offering-price rule for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third party distribution agreement to be employed in connection with the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public to require each broker-dealer that is a party to such third party distribution agreement to comply with the hold-the-offering-price rule for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Tax-Exempt Bonds to any person that is a related party to an underwriter participating in the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(1) "public" means any person other than an underwriter or a related party,

(2) "underwriter" means (A) any person that agrees pursuant to a written contract (i.e. this Official Notice of Sale) with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the applicable bidding group of the Tax-Exempt Bonds to the public),

(3) a purchaser of any of the applicable bidding group of the Tax-Exempt Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) "sale date" means the date that the Tax-Exempt Bidding Group 1 Bonds, the Tax-Exempt Bidding Group 2 Bonds, and Tax-Exempt Bidding Group 3 Bonds are awarded by the Commission to a successful bidder. See "AWARD OF THE Tax-Exempt BONDS" above.

OFFICIAL STATEMENT

The Commission will prepare and provide to the Purchaser, within seven (7) business days after the sale, a sufficient number of copies of the final Official Statement to enable the successful bidder to comply with Rule 15c2-12. The final Official Statement will be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions, or revisions that the Commission believes are necessary.

ADDITIONAL INFORMATION

The Preliminary Official Statement, including the Official Notice of Sale, may be obtained via the Internet at www.munios.com.

Georgia State Financing and Investment Commission
270 Washington Street, Suite 2140
Atlanta, Georgia 30334

June 9, 2022

[Alternate 1 – Competitive Sale Safe Harbor Requirements Met]

EXHIBIT A

$[Amount]
STATE OF GEORGIA
$243,355,000* GENERAL OBLIGATION BONDS 2022A (Tax-Exempt Bidding Group 1)
$250,860,000* GENERAL OBLIGATION BONDS 2022A (Tax-Exempt Bidding Group 2)
$260,515,000* GENERAL OBLIGATION REFUNDING BONDS 2022C (Tax-Exempt Bidding Group 3)
$221,930,000* GENERAL OBLIGATION REFUNDING BONDS 2022C (Tax-Exempt Bidding Group 4)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the "[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the "[SHORT NAME OF UNDERWRITER]" are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Bonds used by the "[SHORT NAME OF UNDERWRITER]" in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the "[SHORT NAME OF UNDERWRITER]" to purchase the Bonds.

(b) The "[SHORT NAME OF UNDERWRITER]" was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the "[SHORT NAME OF UNDERWRITER]" constituted a firm bid to purchase the Bonds.

2. ***Defined Terms***.

(a) *Maturity* means Bonds with the same credit and payment terms and maturity date. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

* *Preliminary, subject to change.*

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Non-Arbitrage Certificate and agreement dated [Issue Date] relating to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gray, Pannell & Woodward LLP in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By:_______________________________________

Dated: [ISSUE DATE]

Name:_____________________________________

Title:______________________________________

[Alternate 2 – Competitive Sale Safe Harbor Requirements Not Met –Hold the Offering Price Rule to Apply]

EXHIBIT A

$[Amount]
STATE OF GEORGIA
$243,355,000* GENERAL OBLIGATION BONDS 2022A (Tax-Exempt Bidding Group 1)
$250,860,000* GENERAL OBLIGATION BONDS 2022A (Tax-Exempt Bidding Group 2)
$260,515,000* GENERAL OBLIGATION REFUNDING BONDS 2022C (Tax-Exempt Bidding Group 3)
$221,930,000* GENERAL OBLIGATION REFUNDING BONDS 2022C (Tax-Exempt Bidding Group 4)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the "[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the "Bonds").

1. ***Initial Offering Price of the Bonds***.

(a) The [SHORT NAME OF UNDERWRITER] [the Underwriting Group] offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b As set forth in the Official Notice of Sale and bid award, the [SHORT NAME OF UNDERWRITER] [the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity, and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms***.

(a) *Holding Period* means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means the State of Georgia acting by and through the Georgia Financing and Investment Commission.

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* *Preliminary, subject to change.*

(c) *Maturity* means Bonds with the same credit and payment terms and maturity date. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is [DATE].

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Non-Arbitrage Certificate and Agreement dated [Issue Date] relating to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gray, Pannell & Woodward LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER REPRESENTATIVE]

By:____

Dated: [ISSUE DATE]

Name:______________________________________

Title: ______________________________________

SCHEDULE A

EXPECTED OFFERING PRICES – COMPETITIVE SAFE HARBOR MET

[SALE PRICES OF THE HOLD THE OFFERING PRICE RULE]

(To Be Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(To Be Attached)

OFFICIAL NOTICE OF SALE

$186,565,000* GENERAL OBLIGATION BONDS 2022B (FEDERALLY TAXABLE)

** Preliminary, subject to change.*

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OFFICIAL NOTICE OF SALE

$186,565,000*
STATE OF GEORGIA
GENERAL OBLIGATION BONDS 2022B (FEDERALLY TAXABLE) ("2022B Bonds")

All or none ("AON") bids will be received electronically (as described in further detail below) by the Georgia State Financing and Investment Commission (the "Commission") for the purchase through a single bid of the $186,565,000* State of Georgia General Obligation Bonds 2022B (Federally Taxable) (the "2022B Bonds"). Bids will be received via **PARITY®**, until **12:00 PM EDT, on Wednesday, June 22, 2022***.

DESCRIPTION OF THE 2022B BONDS

The 2022B Bonds will be dated the date of delivery, expected to be July 7, 2022*, and will be issued in book-entry form only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof. Principal and semiannual interest are payable by the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent. For the 2022B Bonds, interest is payable each January 1 and July 1 with the first interest payment due on January 1, 2023. The 2022B Bonds mature on July 1 of the years as set forth in the table shown below:

Maturity Years (July 1)	2022B Bonds Principal*
2023	$ 7,000,000
2024	7,265,000
2025	7,490,000
2026	7,735,000
2027	8,000,000
2028	7,235,000
2029	7,580,000
2030	7,895,000
2031	8,210,000
2032	8,540,000
2033	8,900,000
2034	9,280,000
2035	9,685,000
2036	10,120,000
2037	10,585,000
2038	11,085,000
2039	11,615,000
2040	12,175,000
2041	12,770,000
2042	13,400,000
Aggregate Principal Amount	**$186,565,000**

* *Preliminary, subject to change.*

SERIAL BONDS

All the 2022B Bonds will be serial bonds unless the successful bidder shall designate consecutive principal maturities to be combined into one or more term bonds. Each such term bond shall be subject to mandatory sinking fund redemption commencing on July 1 of the first year which has been combined to form such term bond and continuing each July 1 of each year thereafter until the stated maturity date of that term bond. The principal amount redeemed in any year shall be equal to the principal amount for each such year set forth in the amortization schedule, as shown above. The 2022B Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected as described in the Preliminary Official Statement from among the 2022B Bonds of the same maturity.

ADJUSTMENT OF PRINCIPAL AMOUNT OF THE 2022B BONDS

Each schedule of maturities set forth above for the 2022B Bonds (the "2022B Bonds Initial Maturity Schedule") represents an estimate of the principal amount of 2022B Bonds that will be sold. The Commission reserves the right to change the 2022B Bonds Initial Maturity Schedule, by announcing any such change not later than 9:00AM EDT on the day of the bid via a supplement to this Official Notice of Sale to be posted on www.munios.com. The resulting schedule of maturities (the "2022B Bonds Bid Maturity Schedule") may or may not be identical to the 2022B Bonds Initial Maturity Schedule. Furthermore, if no such change is announced, the 2022B Bonds Initial Maturity Schedule will become the 2022B Bonds Bid Maturity Schedule.

After determination of the winning bidder of the 2022B Bonds, the Commission reserves the right to change the 2022B Bonds Bid Maturity Schedule (the "2022B Bonds Final Maturity Schedule) by increasing or decreasing the aggregate principal amount by an amount not to exceed 10% of the stated aggregate principal amount for the 2022B Bonds Bid Maturity Schedule. In such event, the dollar amount bid by the successful bidder will be adjusted to reflect any adjustment in the aggregate principal amount of the 2022B Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of the 2022B Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the provided reoffering prices set forth in such bid.

The successful bidder may not withdraw its bid or change interest rates bid for the 2022B Bonds as a result of any changes made to the principal amounts of each maturity in accordance with the aforementioned terms. The Commission will notify the successful bidder of any adjustment to the 2022B Bonds Bid Maturity Schedule not later than 5:00 PM EDT, on the day of the sale.

RIGHT TO CHANGE THE SALE AND SUPPLEMENT NOTICE OF SALE

The Commission reserves the right to change, from time to time, the date and/or time established for the receipt of bids. A change of the bid date and/or time will be announced via a supplement to this Official Notice of Sale to be posted on www.munios.com not later than 9:00AM EDT, on the announced date for receipt of bids, and an alternative sale date and times will be announced via a supplement to this Official Notice of Sale to be posted on www.munios.com by 3:00PM EDT, at least one business day prior to such alternative date and times for receipt of bids.

On such alternative date and times for receipt of bids, the Commission will accept electronic bids for the purchase of the 2022B Bonds, such bids to conform in all respects to the provisions of this Official Notice of Sale, except for the changes in the date and times for receipt of bids and any other changes announced via a supplement to this Official Notice of Sale to be posted on www.munios.com.

In addition, any other information in connection with the offer and sale of the 2022B Bonds will be given to prospective bidders via a supplement to this Official Notice of Sale to be posted on www.munios.com, and any such supplemental information shall be deemed a part of this Official Notice of Sale.

BOOK ENTRY

The 2022B Bonds will be issued in book-entry form, as more fully described in the Preliminary Official Statement. Beneficial owners of the 2022B Bonds will not receive physical delivery of 2022B Bond certificates. Principal and interest payments on the 2022B Bonds will be made to Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as depository for the 2022B Bonds. Such payments will then be distributed to the participating members of DTC, and by such participating members to the beneficial owners of the 2022B Bonds.

OPTIONAL REDEMPTION

The 2022B Bonds will be subject to redemption on any Business Day prior to their stated maturity at the option of the Commission in whole or in part at any time, at a redemption price, which prior to July 1, 2032* shall equal the Make-Whole Redemption Price (as defined below) and on or after July 1, 2032* shall equal one hundred percent (100%) of the principal amount of the 2022B Bonds to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption.

The "Make-Whole Redemption Price" will be the greater of (a) Amortized Value (as defined below) of the 2022B Bonds (but not less than one hundred percent (100%) of the principal amount of such 2022B Bonds to be redeemed on the redemption date; or (b) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date on the 2022B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2022B Bonds are to be redeemed, discounted to the date on which the 2022B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below), plus (i) with respect to such 2022B Bonds maturing on July 1, 2023 and July 1, 2024*, zero (0)* basis points, (ii) with respect to such 2022B Bonds maturing on July 1, 2025* and July 1, 2026*, five (5)* basis points, (iii) with respect to such 2022B Bonds maturing on July 1, 2027* through July 1, 2032*, fifteen (15)* basis points, and (iv) with respect to such 2022B Bonds maturing on or after July 1, 2033*, thirty-five (35)* basis points; plus, in each case, accrued interest on the 2022B Bonds to be redeemed to the redemption date.

"Amortized Value" means, with respect to a 2022B Bond to be redeemed at a Make-Whole Redemption Price, the principal amount of the 2022B Bond to be redeemed, multiplied by the price of such 2022B Bond expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the redemption date, the maturity date of such 2022B Bond, an initial par call date of July 1, 2032, and a yield equal to such 2022B Bond's original reoffering yield.

"Treasury Rate" means, with respect to any redemption date for a particular 2022B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (the "Statistical Release") that has become publicly available at least two (2) business days, but not more than sixty (60) calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2022B Bonds to be redeemed.

AUTHORIZATION AND SECURITY

The 2022B Bonds will be issued by the Commission for and on behalf of the State of Georgia pursuant to powers granted to the Commission in the Constitution of the State of Georgia, the Act of the Georgia General Assembly creating the Commission, and the authorizing resolutions of the Commission.

The 2022B Bonds so issued constitute direct and general obligations of the State of Georgia for the payment of which the full faith, credit, and taxing power of the State are pledged.

DELIVERY AND PAYMENT

Delivery of the 2022B Bonds will be made in New York, New York as soon as the 2022B Bonds can be prepared, which is expected to be July 7, 2022*; however, the purchaser shall allow 30 days from the date of acceptance of bids for delivery. Payment for the 2022B Bonds shall be made in federal funds.

CUSIP NUMBERS AND DTC ELIGIBILITY

Public Resources Advisory Group, co-municipal advisor to the State, ("Co-Municipal Advisor") will timely apply for CUSIP numbers with respect to the 2022B Bonds as required by MSRB Rule G-34. It is anticipated that CUSIP numbers will be printed on the 2022B Bonds, but the failure to print such numbers on any 2022B Bond or any error with respect thereto shall not constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the 2022B Bonds. It will be the responsibility of the successful bidder to timely obtain and pay for the assignment of such CUSIP numbers.

It is anticipated that the 2022B Bonds will be eligible for custodial deposit with DTC; however, it will be the responsibility of the successful bidder to obtain such eligibility. Failure of the successful bidder to obtain DTC eligibility will not constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the 2022B Bonds in accordance with its bid and agreement to purchase the 2022B Bonds.

LEGAL OPINIONS AND CLOSING CERTIFICATES

The 2022B Bonds have been validated by the Superior Court of Fulton County, Georgia, and delivery will be accompanied by an execution, signature, and no-litigation certificate. The legality of the proceedings and the 2022B Bonds will be approved by Gray Pannell & Woodward LLP, Savannah and Atlanta, Georgia, Bond Counsel, the cost of whose approving opinion shall be paid by the State. The State also will furnish to the successful bidder at the closing of the purchase of the 2022B Bonds: (i) a certificate of authorized officers of the Commission to the effect that, to the best knowledge, information, and belief of such officers, the Preliminary Official Statement used in connection with the 2022B Bonds did not on the date of sale, and the final Official Statement does not on the date of delivery, contain any misstatement of a material fact or omit to state a material fact necessary to make the statements therein contained, in light of the circumstances under which they were made, not misleading; and (ii) an opinion of Kutak Rock LLP, Atlanta, Georgia, disclosure counsel to the State, to the effect that their performance of certain services, their participation in certain discussions, and their examination of certain factual certifications and legal opinions did not disclose to them any information that would lead them to believe that the Preliminary Official Statement or the final Official Statement (excluding any financial, statistical, demographic and numerical information, any forecasts, estimates, assumptions or expressions of opinion, and information regarding DTC and its book-entry only system of registration, as to all of which no opinion is expressed) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

A Preliminary Official Statement for the 2022B Bonds has been prepared by the Commission. The Preliminary Official Statement is deemed by the Commission to be final for the purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), except for certain omissions permitted thereunder. In order to assist bidders in complying with paragraph (b)(5) of Rule 15c2-12, the State will undertake, pursuant to the resolution authorizing the issuance of the 2022B Bonds and a Continuing Disclosure Agreement delivered simultaneously with the 2022B Bonds, to provide annual reports and notices of certain listed events in accordance with the provisions of Rule 15c2-12. A form of the Continuing Disclosure Agreement is set forth in APPENDIX D of the Preliminary Official Statement and will be set forth in the final Official Statement. The State's failure to deliver the Continuing Disclosure Agreement on the date of issuance and delivery of the 2022B Bonds shall relieve the successful bidder of its obligation to purchase the 2022B Bonds.

As of the date of hereof, the State is not aware of any instances in the previous five years in which it has failed to comply in any material respect with any previous undertaking entered into pursuant to Rule 15c2-12. See "CONTINUING DISCLOSURE" in the Preliminary Official Statement.

BIDDING PROCEDURES

Bids must be submitted electronically at the time as shown above for the 2022B Bonds on an all or none basis by means of the "AON Bid Form" via ***PARITY***®. By submitting a bid for the 2022B Bonds, a bidder represents and warrants to the Commission that such bidder's bid is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the 2022B Bonds. **Once a final bid is communicated electronically via *PARITY*® to the Commission, the bid will constitute an irrevocable offer to purchase the 2022B Bonds on the terms herein and therein provided.** For purposes of the electronic bidding process, the time as maintained on the ***PARITY***® system shall constitute the official time. The Commission reserves the right to reject any and all bids and to waive any informalities in any and all bids.

DISCLAIMER

*Each bidder shall be solely responsible for making the necessary arrangements to access the **PARITY**® system for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Commission or **PARITY**® shall have any duty or obligation to provide or assure such access to any bidder nor shall the Commission or **PARITY**® be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, the **PARITY**® system. The Commission is authorizing the use of **PARITY**® as a communication mechanism to conduct the electronic bidding for the 2022B Bonds; the owners of such services are not agents of the Commission. The Commission is not bound by any advice and determination of **PARITY**® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the specifications set forth in "BID SPECIFICATIONS" and "BASIS OF AWARD" below. All costs and expenses incurred by bidders in connection with their registration via **PARITY**® are the sole responsibility of such bidders.*

BID SPECIFICATIONS

Bidders may name the rate or rates of interest the 2022B Bonds are to bear in multiples of 1/100 of 1%, but not to exceed 5.00%. All bonds of each maturity must bear a single rate. No bid for other than all of the 2022B Bonds will be considered. All bids for all 2022B Bonds must be unconditional. No bid for less than 100.1% of the aggregate principal amount of the 2022B Bonds will be considered.

BASIS OF AWARD

The 2022B Bonds will be awarded to the bidder submitting a bid in conformance with this Official Notice of Sale that produces the lowest true interest cost (TIC) on the 2022B Bonds based on the 2022B Bonds Bid Maturity Schedule (the "successful bidder" or "Purchaser"). The true interest cost (expressed as an annual interest rate) will be the rate necessary, when using a 360-day year comprised of twelve 30-day months and semiannual compounding, to discount the debt service payments for the 2022B Bonds from the payment dates to the date of the 2022B Bonds and to the aggregate price bid for the 2022B Bonds.

In case of a tie, the successful bidder will be determined based on which bid was submitted first. The time as maintained on the ***PARITY***® system shall constitute the official time. In the case of a tie with the time, the successful bidder will be determined by lot.

AWARD OF THE 2022B BONDS

The Commission will notify the apparent successful bidder as soon as possible after bids for the 2022B Bonds have been received and verified (the "Verbal Award"), that such bidder's bid is the lowest and best bid received which conforms to the requirements of this Official Notice of Sale, subject to verification and official action by the Commission. **The award of the 2022B Bonds will be considered at the Commission meeting to be held beginning at 8:45 AM EDT on Thursday, June 23, 2022* (the "Sale Date"), and the Commission's acceptance of the winning bid shall be made to the successful bidder as promptly as possible.**

UNDERTAKINGS OF THE SUCCESSFUL BIDDER

The successful bidder shall make a bona fide public offering of each maturity of the 2022B Bonds awarded to it and shall, within 30 minutes of being notified of the award of the 2022B Bonds, advise the State in writing (via electronic transmission) of the initial public offering prices of the 2022B Bonds awarded to it (the "Initial Reoffering Prices"). The successful bidder must, by electronic transmission or delivery received by the Commission within 24 hours after notification of the award, furnish the following information to the Commission to complete the Official Statement in final form, as described below:

A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all 2022B Bonds awarded to it are sold at the prices or yields at which the successful bidder advised the Commission that the 2022B Bonds were initially offered to the public).

B. The identity of the underwriters if the successful bidder is part of a group or syndicate.

C. Any other material information the Commission determines is necessary to complete the Official Statement in final form.

OFFERING AND SALES IN NON-U.S. JURISDICTIONS

In connection with offers and sales of the 2022B Bonds, no action has been taken by the Commission or the State so as to permit or approve thereof a public offering of the 2022B Bonds, or possession or distribution of any information relating to the pricing of the 2022B Bonds, the Official Statement or any other offering or publicity material relating to the 2022B Bonds, in any non-U.S. jurisdiction where action for that purpose is required. Accordingly, the successful bidder accepts full and absolute responsibility thereto and agrees it will comply with all applicable laws and regulations in force in any non-U.S. jurisdiction in which it proposes to offer or sell 2022B Bonds or possess or distribute the Official Statement or any other offering or publicity material relating to the 2022B Bonds and it shall obtain any consent, approval or permission required for the offer or sale of the 2022B Bonds under the laws and regulations in force in any non-U.S. jurisdiction to which it is subject or in which it makes such offers or sales, and acknowledges and agrees the Commission and the State will have no responsibility therefor. All costs and expenses incurred by the successful bidder in connection with the offer or sale in non-U.S. jurisdictions are the sole responsibility of the successful bidder, and neither the Commission nor the State will be responsible for any such costs and expenses.

NEITHER THE STATE NOR THE COMMISSION MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE

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* *Preliminary, subject to change.*

INFORMATION UNDER THE CAPTION IN THE OFFICIAL STATEMENT TITLED "INFORMATION CONCERNING OFFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES." SUCH INFORMATION IS PROVIDED SOLELY FOR THE CONVENIENCE OF THE SUCCESSFUL BIDDER. COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY NON-U.S. JURISDICTION RELATING TO THE OFFERING, SOLICITATION, AND/OR SALE OF THE 2022B BONDS IS SOLELY THE RESPONSIBILITY OF THE SUCCESSFUL BIDDER AND NEITHER THE STATE NOR THE COMMISSION SHALL HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH.

In connection with any such offering or sale in non-U.S. jurisdictions, the successful bidder will be required to deliver a certificate substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Commission and Bond Counsel.

OFFICIAL STATEMENT

The Commission will prepare and provide to the Purchaser, within seven (7) business days after the sale, a sufficient number of copies of the final Official Statement to enable the Purchaser to comply with Rule 15c2-12. The final Official Statement will be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions, or revisions that the Commission believes are necessary.

ADDITIONAL INFORMATION

The Preliminary Official Statement, including the Official Notice of Sale, may be obtained via the Internet at www.munios.com.

Georgia State Financing and Investment Commission
270 Washington Street, Suite 2140
Atlanta, Georgia 30334

June 9, 2022

Exhibit A
Certificate as to Offerings and Sales in Non-U.S. Jurisdictions

State of Georgia
$[Amount] General Obligation Bonds 2022B (Federally Taxable)

The undersigned, an authorized representative of [ ] ("[ ]"), the Initial Purchaser of the $[Amount] State of Georgia General Obligation Bonds 2022B (Federally Taxable) (the "2022B Bonds"), hereby represents and warrants to the Georgia State Financing and Investment Commission (the "Commission") acting for and on behalf of the State of Georgia (the "State") that: (i) the 2022B Bonds that have been offered or sold outside of the territory of the United States of America by [ ] have been offered or sold in compliance in all material respects with the applicable securities laws and related rules and regulations of the jurisdiction in which they were offered or sold; (ii) no 2022B Bonds that were offered or sold outside the territory of the United States of America were offered or sold in jurisdictions other than those described in the Official Statement dated [ ], 2022 relating to the 2022B Bonds under the heading "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES"; and (iii) [ ] acknowledges that the Commission has relied on the representations made by [ ] herein in the award of the 2022B Bonds to **[ ] in accordance with the terms and conditions of the Official Notice of Sale with respect to the 2022B Bonds.**

Dated: [ISSUE DATE]

[ ]
The Initial Purchaser of the 2022B Bonds

By: ______________________
Authorized Representative

STATE OF GEORGIA • General Obligation Bonds 2022A, 2022B (Federally Taxable) and General Obligation Refunding Bonds 2022C

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