

A Member Institution  
of the University System  
of Georgia

UNIVERSITY of   
West Georgia®

**Annual Financial Report for the  
Fiscal Year Ended June 30, 2011**  
*(Including Independent Auditor's Report)*



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UNIVERSITY OF WEST GEORGIA

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SECTION I

FINANCIAL



## DEPARTMENT OF AUDITS AND ACCOUNTS

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

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

December 7, 2011

Honorable Nathan Deal, Governor  
Members of the General Assembly of Georgia  
Members of the Board of Regents of the  
University System of Georgia  
and  
Honorable Beheruz Sethna, President  
University of West Georgia

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

Ladies and Gentlemen:

We have audited the accompanying basic financial statements (Exhibits A through D) of University of West Georgia, a unit of the University System of Georgia, which is an organizational unit of the State of Georgia, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the University of West Georgia's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

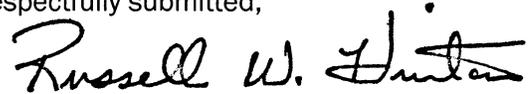
As discussed in Note 1, the financial statements of the University of West Georgia are intended to present the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State of Georgia that is attributable to the transactions of the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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the University of West Georgia as of June 30, 2011, and its changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University of West Georgia taken as a whole. The accompanying supplementary information (Schedules 1 through 5) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink that reads "Russell W. Hinton". The signature is written in a cursive style with a prominent dot above the letter 'i' in "Hinton".

Russell W. Hinton, CPA, CGFM  
State Auditor

RWH:as  
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**REQUIRED SUPPLEMENTARY INFORMATION**

# UNIVERSITY OF WEST GEORGIA

## Management's Discussion and Analysis

### ***Introduction***

The University of West Georgia (UWG) is one of 35 institutions of higher education in the University System of Georgia. As a comprehensive University in the state's "Robust Tier," West Georgia offers disciplinary, interdisciplinary, and professional programs at the baccalaureate and graduate levels. Of its 114 programs of study, 59 operate at the Bachelor's level, 41 at the Master's and Specialist's levels, and three are doctoral. In addition, the University offers nine Post-Baccalaureate and two Post-Master's programs. In 2003, the Southern Association of Colleges and Schools (SACS) reaffirmed UWG's accreditation through 2014. The University has achieved national recognition in areas such as academic debate, faculty-directed undergraduate research, and athletic competition. The Princeton Review identified UWG as one of the "Best Southeastern Colleges" and one of the "Best Value Colleges".

	Faculty	Students (Headcount)	Students (FTE)
Fiscal Year 2011	466	11,283	10,212
Fiscal Year 2010	462	11,500	10,308
Fiscal Year 2009	443	11,252	9,988

### ***Overview of the Financial Statements and Financial Analysis***

University of West Georgia is proud to present its financial statements for fiscal year 2011. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2011 and fiscal year 2010.

### ***Statement of Net Assets***

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

From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the institution owes vendors.

Finally, the Statement of Net Assets provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the institution. Net assets are divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net assets.

Expendable restricted net assets are available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets are available to the institution for any lawful purpose of the institution.

#### Statement of Net Assets, Condensed

	<u>June 30, 2011</u>	<u>June 30, 2010*</u>
<b>Assets</b>		
Current Assets	\$ 48,593,142	\$ 45,219,847
Capital Assets, Net	219,666,634	210,198,861
Other Assets	<u>2,464,825</u>	<u>2,404,998</u>
<b>Total Assets</b>	<b>\$ <u>270,724,601</u></b>	<b>\$ <u>257,823,706</u></b>
<b>Liabilities</b>		
Current Liabilities	\$ 14,775,926	\$ 18,067,394
Noncurrent Liabilities	<u>116,171,687</u>	<u>111,436,873</u>
<b>Total Liabilities</b>	<b>\$ <u>130,947,613</u></b>	<b>\$ <u>129,504,267</u></b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	\$ 103,859,942	\$ 99,187,844
Restricted - Expendable	2,660,009	2,456,678
Unrestricted	<u>33,257,037</u>	<u>26,674,917</u>
<b>Total Net Assets</b>	<b>\$ <u><u>139,776,988</u></u></b>	<b>\$ <u><u>128,319,439</u></u></b>

\*Fiscal year 2010 amounts do not reflect the restatement for Prepaid Items and Deferred Revenue. See Note 1 in the basic financial statements for more information.

The total assets of the institution increased by \$12,900,895. A review of the Statement of Net Assets will reveal that the increase was primarily due to an increase of \$9,467,773 in the category of Capital Assets, Net, an increase of \$3,053,640 in Cash and Cash Equivalents and an increase of \$2,059,072 in Accounts Receivables, Net.

The total liabilities for the year increased by \$1,443,346 which can be attributed to a decrease of \$3,291,468 in Current Liabilities and an increase of \$4,734,814 in Noncurrent Liabilities. The combination of the increase in total assets of \$12,900,895 and the increase in total liabilities of \$1,443,346 yields an increase in total net assets of \$11,457,549. The increase in total net assets is primarily in the categories of Unrestricted and Invested in Capital Assets, Net of Debt, in the amount of \$6,582,120 and \$4,672,098, respectively.

#### ***Statement of Revenues, Expenses and Changes in Net Assets***

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

revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. For example state appropriations are nonoperating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services for those revenues.

Statement of Revenues, Expenses and Changes in Net Assets, Condensed

	<u>June 30, 2011</u>	<u>June 30, 2010*</u>
Operating Revenues	\$ 82,434,013	\$ 76,294,703
Operating Expenses	<u>142,232,454</u>	<u>130,443,784</u>
Operating Loss	\$ -59,798,441	\$ -54,149,081
Nonoperating Revenues and Expenses	<u>61,930,895</u>	<u>60,621,860</u>
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	\$ 2,132,454	\$ 6,472,779
Other Revenues, Expenses, Gains or Losses	<u>7,466,779</u>	<u>5,285,277</u>
Increase in Net Assets	\$ <u>9,599,233</u>	\$ <u>11,758,056</u>
Net Assets at Beginning of Year, as Originally Reported	\$ 128,319,439	\$ 116,561,383
Prior Year Adjustments	<u>1,858,316</u>	<u>                    </u>
Net Assets at Beginning of Year, Restated	\$ <u>130,177,755</u>	\$ <u>116,561,383</u>
Net Assets at End of Year	\$ <u><u>139,776,988</u></u>	\$ <u><u>128,319,439</u></u>

\*Fiscal year 2010 amounts do not reflect the restatement for Prepaid Items and Deferred Revenue. See Note 1 in the basic financial statements for more information.

The Statement of Revenues, Expenses and Changes in Net Assets reflects a positive year with an increase in the net assets at the end of the year. Some highlights of the information presented on the Statement of Revenues, Expenses and Changes in Net Assets are as follows:

Revenue by Source  
For the Years Ended June 30, 2011 and June 30, 2010

	<u>June 30, 2011</u>	<u>June 30, 2010*</u>
Operating Revenue		
Tuition and Fees	\$ 43,730,116	\$ 39,855,050
Grants and Contracts	2,841,796	2,245,181
Sales and Services of Educational Departments	397,825	416,216
Auxiliary	32,294,543	30,791,546
Other	<u>3,169,733</u>	<u>2,986,710</u>
Total Operating Revenue	<u>\$ 82,434,013</u>	<u>\$ 76,294,703</u>
Nonoperating Revenue		
State Appropriations	\$ 42,940,578	\$ 38,474,634
Federal Stimulus - Stabilization Funds		7,826,638
Grants and Contracts	23,710,478	18,862,951
Gifts	624,504	294,460
Investment Income	255,144	246,080
Other	<u>176,232</u>	<u>-24,681</u>
Total Nonoperating Revenue	<u>\$ 67,706,936</u>	<u>\$ 65,680,082</u>
Capital Grants and Gifts		
State	\$ 7,222,761	\$ 2,200,000
Other	<u>244,018</u>	<u>3,085,277</u>
Total Capital Grants and Gifts	<u>\$ 7,466,779</u>	<u>\$ 5,285,277</u>
Total Revenues	<u><u>\$ 157,607,728</u></u>	<u><u>\$ 147,260,062</u></u>

\*Fiscal year 2010 amounts do not reflect the restatement for Prepaid Items and Deferred Revenue. See Note 1 in the basic financial statements for more information.

Expenses (By Functional Classification)  
For the Years Ended June 30, 2011 and June 30, 2010

	<u>June 30, 2011</u>	<u>June 30, 2010*</u>
Operating Expenses		
Instruction	\$ 48,820,912	\$ 47,692,451
Research	1,359,881	1,223,968
Public Service	784,716	473,009
Academic Support	15,523,075	15,447,430
Student Services	9,802,161	8,723,902
Institutional Support	13,583,165	11,682,785
Plant Operations and Maintenance	17,076,761	10,431,139
Scholarships and Fellowships	9,646,847	8,282,751
Auxiliary Enterprises	<u>25,634,936</u>	<u>26,486,349</u>
Total Operating Expenses	\$ 142,232,454	\$ 130,443,784
Nonoperating Expenses		
Interest Expense	<u>5,776,041</u>	<u>5,058,222</u>
Total Expenses	<u>\$ 148,008,495</u>	<u>\$ 135,502,006</u>

\*Fiscal year 2010 amounts do not reflect the restatement for Prepaid Items and Deferred Revenue. See Note 1 in the basic financial statements for more information.

Operating revenues increased by \$6,139,310 in fiscal year 2011. Revenue from Student Tuition and Fees prior to the reduction by the scholarship allowance resulted in approximately a 14% increase. Grants and Contracts, Auxiliary Enterprises and Other Operating Revenues increased approximately 6%.

The Auxiliary revenue increase of \$1,502,997 primarily resulted from rate increases for residence halls.

Nonoperating revenues increased by \$2,026,854 for the year in spite of a decrease of \$7,826,638 in Federal Stimulus Funds.

The compensation and employee benefits category increased by \$5,442,746 and primarily affected the Instruction, Plant Operations, Academic Support and Student Services categories. The increase reflects the addition of around 150 employees and an increase in the cost of fringe benefits.

Utilities increased by \$194,822 during the past year. The increase was primarily associated with the increase in electrical costs due to a 5% rate increase and higher consumption.

## ***Statement of Cash Flows***

The final statement presented by the University of West Georgia is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Assets.

### Cash Flows for the Years Ended June 30, 2011 and 2010, Condensed

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Cash Provided (Used) By:		
Operating Activities	\$ -51,808,559	\$ -47,241,150
Noncapital Financing Activities	67,663,656	65,464,037
Capital and Related Financing Activities	-13,006,057	-10,318,851
Investing Activities	<u>255,144</u>	<u>1,267,945</u>
Net Change in Cash	\$ 3,104,184	\$ 9,171,981
Cash, Beginning of Year	<u>39,109,065</u>	<u>29,937,084</u>
Cash, End of Year	<u>\$ 42,213,249</u>	<u>\$ 39,109,065</u>

## ***Capital Assets***

The University had two significant capital asset additions for facilities in fiscal year 2011. The Library renovation of approximately \$7.2 million was substantially completed and the new Bookstore was constructed and placed into service late in fiscal year 2011 for \$6.1 million.

For additional information concerning Capital Assets, see Notes 1, 6, 8, and 10 in the Notes to the Financial Statements.

## ***Long-Term Liabilities***

University of West Georgia had Long-Term Liabilities of \$118,719,670 of which \$2,947,100 was reflected as current liability at June 30, 2011.

For additional information concerning Long-Term Liabilities, see Notes 1 and 8 in the Notes to the Financial Statements.

## ***Economic Outlook***

The University is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

The University's overall financial position is strong. Even with a relatively flat funded year, the University was able to generate a modest increase in Net Assets. The University anticipates the current fiscal year will be much like last and will maintain a close watch over resources to maintain the University's ability to react to unknown internal and external issues.

Dr. Beheruz Sethna, President  
University of West Georgia

**BASIC FINANCIAL STATEMENTS**

UNIVERSITY OF WEST GEORGIA  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

EXHIBIT "A"

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 41,818,562
Accounts Receivable, Net (Note 3)	
Receivables - Federal Financial Assistance	1,566,803
Receivables - Other	2,447,482
Inventories (Note 4)	1,548,043
Prepaid Items	<u>1,212,252</u>
Total Current Assets	<u>\$ 48,593,142</u>
Noncurrent Assets	
Noncurrent Cash	\$ 394,687
Notes Receivable, Net (Note 5)	2,070,138
Capital Assets, Net (Note 6)	<u>219,666,634</u>
Total Noncurrent Assets	<u>\$ 222,131,459</u>
Total Assets	<u>\$ 270,724,601</u>

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 3,918,628
Salaries Payable	708,747
Contracts Payable	345,082
Deposits	552,454
Deferred Revenue (Note 7)	5,511,611
Other Liabilities	91,895
Deposits Held for Other Organizations	700,409
Lease Purchase Obligations	1,384,514
Compensated Absences	<u>1,562,586</u>
Total Current Liabilities	<u>\$ 14,775,926</u>
Noncurrent Liabilities	
Lease Purchase Obligations	\$ 114,422,178
Deferred Revenue	399,117
Compensated Absences	<u>1,350,392</u>
Total Noncurrent Liabilities	<u>\$ 116,171,687</u>
Total Liabilities	<u>\$ 130,947,613</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 103,859,942
Restricted for:	
Expendable	2,660,009
Unrestricted	<u>33,257,037</u>
Total Net Assets	<u>\$ 139,776,988</u>

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

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

EXHIBIT "B"

OPERATING REVENUES

Student Tuition and Fees	\$	62,217,916
Less: Scholarship Allowances		-18,487,800
Grants and Contracts		
Federal		912,921
Federal Stimulus		307,861
State		685,710
Other		935,304
Sales and Services		397,825
Rents and Royalties		31,388
Auxiliary Enterprises		
Residence Halls		12,326,124
Bookstore		4,110,748
Food Services		6,655,211
Parking/Transportation		1,461,480
Health Services		2,021,659
Intercollegiate Athletics		5,145,293
Other Organizations		574,028
Other Operating Revenues		<u>3,138,345</u>
 Total Operating Revenues	 \$	 <u>82,434,013</u>

OPERATING EXPENSES

Salaries		
Faculty	\$	32,159,225
Staff		31,327,517
Employee Benefits		18,773,883
Other Personal Services		326,806
Travel		1,037,335
Scholarships and Fellowships		10,822,544
Utilities		3,809,978
Supplies and Other Services		33,908,552
Depreciation		<u>10,066,614</u>
 Total Operating Expenses	 \$	 <u>142,232,454</u>
 Operating Income (Loss)	 \$	 <u>-59,798,441</u>

NONOPERATING REVENUES (EXPENSES)

State Appropriations	\$	42,940,578
Grants and Contracts		
Federal		23,559,000
State		21,228
Other		130,250
Gifts		624,504
Investment Income		255,144
Interest Expense		-5,776,041
Other Nonoperating Revenues		<u>176,232</u>
 Net Nonoperating Revenues	 \$	 <u>61,930,895</u>
 Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	 \$	 <u>2,132,454</u>
Capital Grants and Gifts		
State	\$	7,222,761
Other		<u>244,018</u>
 Total Other Revenues, Expenses, Gains or Losses	 \$	 <u>7,466,779</u>
 Increase (Decrease) in Net Assets	 \$	 9,599,233
Net Assets - Beginning of Year (Restated)		<u>130,177,755</u>
 Net Assets - End of Year	 \$	 <u>139,776,988</u>

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

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

EXHIBIT "C"

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 44,215,827
Grants and Contracts	1,179,738
Sales and Services	397,825
Payments to Suppliers	-58,637,223
Payments to Employees	-63,392,982
Payments for Scholarships and Fellowships	-10,822,544
Loans Issued to Students and Employees	-540,053
Collection of Loans to Students and Employees	530,770
Auxiliary Enterprise Charges:	
Residence Halls	11,841,812
Bookstore	4,317,513
Food Services	6,995,119
Parking/Transportation	1,364,897
Health Services	1,928,316
Intercollegiate Athletics	4,724,803
Other Organizations	589,804
Other Receipts (Payments)	<u>3,497,819</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -51,808,559</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	\$ 42,940,578
Agency Funds Transactions	195,699
Gifts and Grants Received for Other than Capital Purposes	<u>24,527,379</u>
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>\$ 67,663,656</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants and Gifts Received	\$ 2,540,104
Purchases of Capital Assets	-8,421,757
Principal Paid on Capital Debt and Leases	-1,348,363
Interest Paid on Capital Debt and Leases	<u>-5,776,041</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ -13,006,057</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>\$ 255,144</u>
Net Increase (Decrease) in Cash	\$ 3,104,184
Cash and Cash Equivalents - Beginning of Year	<u>39,109,065</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 42,213,249</u></u>

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

EXHIBIT "C"

RECONCILIATION OF OPERATING LOSS TO NET CASH

PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ -59,798,441
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities	
Depreciation	10,066,614
Change in Assets and Liabilities:	
Accounts Receivable, Net	-2,056,901
Inventories	-428,723
Prepaid Items	-358,768
Notes Receivable, Net	-9,283
Accounts Payable	545,262
Deferred Revenue	152,466
Other Liabilities	-96,659
Compensated Absences	<u>175,874</u>

Net Cash Provided (Used) by Operating Activities \$ -51,808,559

NONCASH ACTIVITY

Fixed Assets Acquired by Incurring Capital Lease Obligations	\$ <u>6,144,038</u>
Gift Reducing Proceeds of Gifts and Grants Received for Other Than Capital Purposes	\$ <u>296,473</u>
Gift of Capital Assets Reducing Proceeds of Capital Grants and Gifts	\$ <u>4,926,675</u>

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

**Note 1. Summary of Significant Accounting Policies**

**Nature of Operations**

University of West Georgia serves the state and national communities by providing its students with academic instruction that advances fundamental knowledge, and by disseminating knowledge to the people of Georgia and throughout the country.

**Reporting Entity**

University of West Georgia is one of thirty-five (35) State supported member institutions of higher education in Georgia which comprise the University System of Georgia, an organizational unit of the State of Georgia. The accompanying financial statements reflect the operations of University of West Georgia as a separate reporting entity.

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

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

**Financial Statement Presentation**

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

**Basis of Accounting**

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

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

**Cash and Cash Equivalents**

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

**Accounts Receivable**

Accounts receivable consists of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff, the majority of each residing in the State of Georgia. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

**Inventories**

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

**Noncurrent Cash**

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

**Capital Assets**

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

To obtain the total picture of plant additions in the University System, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) – an organization that is external to the System. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

For projects managed by GSFIC, the GSFIC retains construction in progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction in progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2011, GSFIC did not transfer any capital additions to University of West Georgia.

**Deposits**

Deposits represent good faith deposits from students to reserve housing assignments in a University residence hall.

**Deferred Revenues**

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

**Compensated Absences**

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as compensated absences in the Statement of Net Assets, and as a component of compensation and benefit expense in the Statement of Revenues, Expenses and Changes in Net Assets. University of West Georgia had accrued liability for compensated absences in the amount of \$2,737,104 as of July 1, 2010. For fiscal year 2011, \$2,123,910 was earned in compensated absences and employees were paid \$1,948,036, for a net increase of \$175,874. The ending balance as of June 30, 2011 in accrued liability for compensated absences was \$2,912,978.

**Noncurrent Liabilities**

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

**Net Assets**

The University's net assets are classified as follows:

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

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

Expendable Restricted Net Assets include the following:

Restricted - E&G and Other Organized Activities	\$	394,687
Federal Loans		1,909,825
Institutional Loans		355,497
 Total Restricted Expendable	 \$	 <u><u>2,660,009</u></u>

*Unrestricted net assets:* Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Board of Regents of the University System of Georgia, University System Office for remittance to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Board of Regents of the University System of Georgia, University System Office for remittance to the Office of the State Treasurer. At June 30, 2011, the University had a surplus balance in state appropriations, \$121,386.27 to be refunded.

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Unrestricted Net Assets includes the following items which are quasi-restricted by management.

R & R Reserve	\$	19,437,382
Reserve for Encumbrances		13,201,765
Reserve for Inventory		92,639
Other Unrestricted		<u>525,251</u>
 Total Unrestricted Net Assets	 \$	 <u><u>33,257,037</u></u>

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

#### **Income Taxes**

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

#### **Classification of Revenues and Expenses**

The Statement of Revenues, Expenses and Changes in Net Assets classify fiscal year activity as operating and nonoperating according to the following criteria:

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

**Nonoperating Revenues:** Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenue by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations and investment income.

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

**Nonoperating Expenses:** Nonoperating expense includes activities that have the characteristics of nonexchange transactions, such as capital financing costs and costs related to investment activity.

#### **Scholarship Allowances**

Student tuition and fee revenues, and certain other revenues from students, are reported at gross with a contra revenue account of scholarship allowances in the Statement of Revenues, Expenses and Changes in Net Assets. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has

recorded contra revenue for scholarship allowances. The scholarship allowance as of June 30, 2011 increased approximately \$3.7 million. This was the result of the scholarship allowance calculation being affected by an increase in tuition and fees of \$8.3 million, an increase in direct student loans of \$5.9 million, a \$4.5 million increase in Pell Grants, and \$2.8 million in additional Hope Grants.

**Restatement of Prior Year Net Assets**

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

**Note 2. Deposits and Investments**

**Deposits**

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

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

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

At June 30, 2011, the carrying value of deposits was \$32,734,680 and the bank balance was \$35,106,720. Of the University's deposits, \$34,820,073 was collateralized with securities held by the financial institution, by its trust department or agency, but not in the University's name.

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**Investments**

At June 30, 2011, the carrying value of the University's investments was \$9,449,301, which is materially the same as fair value. These investments were comprised entirely of funds invested in the Board of Regents and Office of the State Treasurer investment pools as follows:

Investment Pools	
Board of Regents	
Short-Term Fund	\$ 1,248,772
Office of the State Treasurer	
Georgia Fund 1	<u>8,200,529</u>
Total Investments	<u>\$ 9,449,301</u>

The Board of Regents Investment Pool is not registered with the Securities and Exchange Commission as an investment company. The fair value of investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. Participation in the Board of Regents Investment Pool is voluntary. The Board of Regents Investment Pool is not rated. Additional information on the Board of Regents Investment Pool is disclosed in the audited Financial Statements of the Board of Regents of the University System of Georgia – System Office (oversight unit). This audit can be obtained from the Georgia Department of Audits – Education Audit Division or on their web site at <http://www.audits.ga.gov>.

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. This investment is valued at the pool's share price, \$1.00 per share. The Georgia Fund 1 Investment Pool is an AAAM rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 46 days.

**Interest Rate Risk**

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

The Effective Duration of the Short-Term Fund is 1.03 years. Of the University total investment of \$1,248,772 in the Short-Term Fund, \$1,089,396.75 is invested in debt securities.

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**Note 3. Accounts Receivable**

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

Student Tuition and Fees	\$ 602,924
Auxiliary Enterprises and Other Operating Activities	852,327
Federal Financial Assistance	1,566,803
Georgia State Financing and Investment Commission	17,348
Due from Affiliated Organizations	10,172
Other	<u>1,424,636</u>
	\$ 4,474,210
Less Allowance for Doubtful Accounts	<u>459,925</u>
Net Accounts Receivable	<u>\$ 4,014,285</u>

**Note 4. Inventories**

Inventories consisted of the following at June 30, 2011:

Bookstore	\$ 1,430,836
Physical Plant	113,730
Other	<u>3,477</u>
Total Inventories	<u>\$ 1,548,043</u>

**Note 5. Notes/Loans Receivable**

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2011. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts cancelled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal government, the loans are written off and assigned to the U. S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off.

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**Note 6. Capital Assets**

Following are the changes in capital assets for the year ended June 30, 2011:

	Beginning Balance July 1, 2010 (1) (Restated)	Additions	Reductions	Ending Balance June 30, 2011
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 8,281,634			\$ 8,281,634
Construction Work-In-Progress	4,130,884	\$ 6,655,512	\$ 6,951,836	3,834,560
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 12,412,518</b>	<b>\$ 6,655,512</b>	<b>\$ 6,951,836</b>	<b>\$ 12,116,194</b>
<b>Capital Assets, Being Depreciated:</b>				
Infrastructure	\$ 3,144,580	\$ 2,506,758		\$ 5,651,338
Building and Building Improvements	128,769,496	8,588,663	\$ 2,515,000	134,843,159
Facilities and Other Improvements	2,353,312			2,353,312
Equipment	21,295,576	1,586,667	1,952,684	20,929,559
Capital Leases	115,735,125	6,144,038		121,879,163
Library Collections	16,820,216	1,354,738	157,520	18,017,434
Capitalized Collections	13,516		6,016	7,500
<b>Total Assets Being Depreciated</b>	<b>\$ 288,131,821</b>	<b>\$ 20,180,864</b>	<b>\$ 4,631,220</b>	<b>\$ 303,681,465</b>
<b>Less: Accumulated Depreciation:</b>				
Infrastructure	\$ 650,928	\$ 128,245		\$ 779,173
Building and Building Improvements	49,990,092	3,634,513	\$ 2,515,000	51,109,605
Facilities and Other Improvements	1,230,090	98,685		1,328,775
Equipment	12,645,593	1,509,279	1,605,226	12,549,646
Capital Leases	12,775,161	3,845,129		16,620,290
Library Collections	13,044,228	850,475	157,520	13,737,183
Capitalized Collections	9,386	288	3,321	6,353
<b>Total Accumulated Depreciation</b>	<b>\$ 90,345,478</b>	<b>\$ 10,066,614</b>	<b>\$ 4,281,067</b>	<b>\$ 96,131,025</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>\$ 197,786,343</b>	<b>\$ 10,114,250</b>	<b>\$ 350,153</b>	<b>\$ 207,550,440</b>
<b>Capital Assets, Net</b>	<b>\$ 210,198,861</b>	<b>\$ 16,769,762</b>	<b>\$ 7,301,989</b>	<b>\$ 219,666,634</b>

(1) A restatement to Capital Assets Beginning Balances was made in order to reclassify \$180,427 from Construction Work-In-Progress to Building and Building Improvements and \$607,096 from Construction Work-In-Progress to Equipment. This change is in accordance with GAAP.

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**Note 7. Deferred Revenue**

Current deferred revenue consisted of the following at June 30, 2011:

Prepaid Tuition and Fees	\$	3,077,468
Research		818,998
Other Deferred Revenue		1,615,145
 Total Deferred Revenue	 \$	 <u>5,511,611</u>

Noncurrent deferred revenue was \$399,117 at June 30, 2011.

**Note 8. Long-Term Liabilities**

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

	Beginning Balance <u>July 1, 2010</u>	Additions	Reductions	Ending Balance <u>June 30, 2011</u>	Current Portion
Leases					
Lease Obligations	\$ 111,011,017	\$ 6,144,038	\$ 1,348,363	\$ 115,806,692	\$ 1,384,514
Other Liabilities					
Compensated Absences	<u>2,737,104</u>	<u>2,123,910</u>	<u>1,948,036</u>	<u>2,912,978</u>	<u>1,562,586</u>
Total Long-Term Obligations	<u>\$ 113,748,121</u>	<u>\$ 8,267,948</u>	<u>\$ 3,296,399</u>	<u>\$ 118,719,670</u>	<u>\$ 2,947,100</u>

**Note 9. Significant Commitments**

The University had significant unearned, outstanding, construction or renovation contracts executed in the amount of \$8,659,529 as of June 30, 2011. Significant projects included in this amount are: the new Art Annex, renovations of Richard's College of Business restrooms, Townsend Center roof, Humanities roof and other various infrastructure projects. This amount is not reflected in the accompanying basic financial statements.

**Note 10. Lease Obligations**

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

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**CAPITAL LEASES**

Capital leases are generally payable in installments ranging from monthly to annually and have terms expiring in various years between 2030 and 2041. Expenditures for fiscal year 2011 were \$7,767,449 of which \$5,776,041 represented interest and \$643,045 represented executory costs. Total principal paid on capital leases was \$1,348,363 for the fiscal year ended June 30, 2011. Interest rates range from 3.50 percent to 6.63 percent. The following is a summary of the carrying values of assets held under capital lease at June 30, 2011:

Buildings	\$ 100,055,466
Facilities and Other Improvements	4,521,372
Equipment	<u>682,030</u>
 Total Assets Held Under Capital Lease	 \$ <u><u>105,258,868</u></u>

Certain capital leases provide for renewal and/or purchase options.

Three separate capital leases for student residence halls are with the University of West Georgia Foundation, Inc. The University Suites lease has \$10,826,049 principal outstanding, Arbor View Apartments lease has \$18,205,493 principal outstanding and the Greek Village lease has \$21,545,764 principal outstanding as of June 30, 2011.

The University Campus Center and the Athletic Complex are being leased from the UWG Real Estate Foundation, Inc. The remaining principal balance on University Campus Center lease is \$28,950,572 and the Athletic Complex lease has \$24,961,017 principal outstanding as of June 30, 2011.

Parking Lots are being leased from the University of West Georgia Foundation, Inc. The remaining principal balance on this lease is \$5,173,759 as of June 30, 2011.

The Bookstore is being leased from the USG Real Estate Foundation III, LLC. The remaining principal balance on the lease is \$6,144,038 as of June 30, 2011.

**OPERATING LEASES**

University of West Georgia's noncancellable operating leases having remaining terms of more than one year expire in various fiscal years from 2012 through 2016. Certain operating leases provide for renewal options for periods from one to three years at their fair rental value at the time of renewal. All agreements are cancellable if the State of Georgia does not provide adequate funding, but that is considered a remote possibility. In the normal course of business, operating leases are generally renewed or replaced by other leases. Operating leases are generally payable on a monthly basis. Examples of property under operating leases are copiers and other small business equipment.

**FUTURE COMMITMENTS**

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

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	Real Property and Equipment	
	Capital Leases	Operating Leases
Year Ending June 30:		
2012	\$ 8,090,422	\$ 281,377
2013	8,371,591	170,523
2014	8,466,626	44,265
2015	8,575,296	12,819
2016	8,716,272	1,398
2017 - 2021	45,911,814	
2022 - 2026	50,187,607	
2027 - 2031	49,348,701	
2032 - 2036	35,852,033	
2037 - 2041	17,372,618	
 Total Minimum Lease Payments	 \$ 240,892,980	 \$ <u>510,382</u>
Less: Interest	123,186,288	
Less: Executory Costs (if paid)	1,900,000	
 Principal Outstanding	 \$ <u>115,806,692</u>	

University of West Georgia's fiscal year 2011 expense for rental of real property and equipment under operating leases was \$338,489.

**Note 11. Retirement Plans**

University of West Georgia participates in various retirement plans administered by the State of Georgia under two major retirement systems: Employees' Retirement System of Georgia (ERS System) and Teachers Retirement System of Georgia. These two systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective system offices. The significant retirement plans that University of West Georgia participates in are described below. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

**Employees' Retirement System of Georgia**

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

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

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

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

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

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

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

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

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

Members become vested after 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**

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

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

TRS provides service retirement, disability retirement, and survivor's benefits. The benefit structure of TRS is defined and may be amended by State statute. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 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, will be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Death, disability and spousal benefits are also available.

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees. Members become fully vested after 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. Member contributions as adopted by the Board of Trustees for the fiscal year ended June 30, 2011 were 5.53% of annual salary. Employer contributions required for fiscal year 2011 were 10.28% of annual salary as required by the June 30, 2009 actuarial valuation. The employer contribution rate increased to 10.28% effective July 1, 2010.

UNIVERSITY OF WEST GEORGIA  
 NOTES TO THE FINANCIAL STATEMENTS  
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EXHIBIT "D"

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

Fiscal Year	ERS		TRS	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2011	\$ 15,154	100%	\$ 3,158,430	100%
2010	\$ 12,533	100%	\$ 2,997,601	100%
2009	\$ 8,819	100%	\$ 2,681,880	100%

**Regents Retirement Plan**

**Plan Description**

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

**Funding Policy**

University of West Georgia makes monthly employer contributions for the Regents Retirement Plan at rates adopted by the Teachers Retirement System of Georgia Board of Trustees in accordance with State statute and as advised by their independent actuary. For fiscal year 2011, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 5% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and nonforfeitable at all times.

University of West Georgia and the covered employees made the required contributions of \$2,197,566 (9.24%) and \$1,189,161 (5%), respectively.

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

**Georgia Defined Contribution Plan**

**Plan Description**

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

### **Benefits**

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

### **Contributions**

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

Total contributions made by employees during fiscal year 2011 amounted to \$105,516 which represents 7.5% of covered payroll. These contributions met the requirements of the plan.

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

### ***Note 12. Risk Management***

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

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks. University of West Georgia, as an organizational unit of the Board of Regents of the University System of Georgia, is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

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

***Note 13. Contingencies***

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

Litigation, claims and assessments filed against University of West Georgia (an organizational unit of the Board of Regents of the University System of Georgia), if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011.

***Note 14. Post-Employment Benefits Other Than Pension Benefits***

Pursuant to the general powers conferred by the Official Code of Georgia Annotated Section 20-3-31, the Board of Regents of the University System of Georgia has established group health and life insurance programs for regular employees of the University System of Georgia. It is the policy of the Board of Regents to permit employees of the University System of Georgia eligible for retirement or that become permanently and totally disabled to continue as members of the group health and life insurance programs. The policies of the Board of Regents of the University System of Georgia define and delineate who is eligible for these post-employment health and life insurance benefits. Organizational units of the Board of Regents of the University System of Georgia pay the employer portion for group insurance for affected individuals. With regard to life insurance, the employer covers the total cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the employee.

The Board of Regents Retiree Health Benefit Plan is a single employer defined benefit plan. Financial statements and required supplementary information for the Plan are included in the publicly available Consolidated Annual Financial Report of the University System of Georgia. The College pays the employer portion of health insurance for its eligible retirees based on rates that are established annually by the Board of Regents for the upcoming plan year. For the 2010 and 2011 plan years, the employer rate was between 70-75% of the total health insurance cost for eligible retirees and the retiree rate was between 25-30%.

As of June 30, 2011, there were 461 employees who had retired or were disabled that were receiving these post-employment health and life insurance benefits. For the year ended June 30, 2011, University of West Georgia recognized as incurred \$1,714,054 of expenditures, which was net of \$803,215 of participant contributions.

UNIVERSITY OF WEST GEORGIA  
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 JUNE 30, 2011

EXHIBIT "D"

**Note 15. Natural Classifications with Functional Classifications**

The University's operating expenses by functional classification for fiscal year 2011 are shown below:

Natural Classification	Functional Classification				
	Instruction	Research	Public Service	Academic Support	Student Services
Salaries					
Faculty	\$ 28,555,892	\$ 153,252	\$ 32,034	\$ 2,427,702	\$ 161,353
Staff	4,936,729	425,052	270,593	5,878,995	4,847,615
Employee Benefits	8,482,706	78,180	72,059	2,192,204	1,115,611
Other Personal Services	15,614	1,000	509	2,000	4,448
Travel	451,197	44,747	13,054	237,077	132,494
Scholarships and Fellowships	71,223	31,355			
Utilities	208,391	584	1,707	85,395	53,446
Supplies and Other Services	4,120,781	456,851	394,760	3,350,707	2,500,159
Depreciation	1,978,379	168,860		1,348,995	987,035
<b>Total Operating Expenses</b>	<b>\$ 48,820,912</b>	<b>\$ 1,359,881</b>	<b>\$ 784,716</b>	<b>\$ 15,523,075</b>	<b>\$ 9,802,161</b>

Natural Classification	Functional Classification				
	Institutional Support	Plant Operations and Maintenance	Scholarships and Fellowships	Auxiliary Enterprises	Total Operating Expenses
Salaries					
Faculty	\$ 751,029	\$ 19,179		\$ 58,784	\$ 32,159,225
Staff	4,878,820	5,529,410		4,560,303	31,327,517
Employee Benefits	3,924,795	1,803,861		1,104,467	18,773,883
Other Personal Services	300,556			2,679	326,806
Travel	56,994	15,127		86,645	1,037,335
Scholarships and Fellowships	18,375		\$ 9,646,847	1,054,744	10,822,544
Utilities	51,339	2,027,842		1,381,274	3,809,978
Supplies and Other Services	3,398,186	6,428,958		13,258,150	33,908,552
Depreciation	203,071	1,252,384		4,127,890	10,066,614
<b>Total Operating Expenses</b>	<b>\$ 13,583,165</b>	<b>\$ 17,076,761</b>	<b>\$ 9,646,847</b>	<b>\$ 25,634,936</b>	<b>\$ 142,232,454</b>

**Note 16. Affiliated Organizations**

In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an amendment of GASB Statement No. 14, *The Reporting Entity* which became effective for the year ended June 30, 2004, University of West Georgia Foundation, Inc. and UWG Real Estate Foundation, Inc. are legally separate, tax exempt organization whose activities primarily support University of West Georgia, a unit of the University System of Georgia (an organizational unit of the State of Georgia). The State Accounting Office determined Component Units of the State of

UNIVERSITY OF WEST GEORGIA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

EXHIBIT "D"

Georgia, as required by GASB Statement No. 39 should not be assessed in relation to their significance to University of West Georgia, but instead based on their significance to the State of Georgia. Accordingly, University of West Georgia has not included financial activity for these affiliated organizations in these financial statements.

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**SUPPLEMENTARY INFORMATION**

UNIVERSITY OF WEST GEORGIA  
BALANCE SHEET (NON-GAAP BASIS)  
BUDGET FUND  
JUNE 30, 2011

SCHEDULE "1"

ASSETS

Cash and Cash Equivalents	\$	22,187,251.53
Accounts Receivable		
Federal Financial Assistance		1,422,696.90
Other		2,042,289.46
Prepaid Expenditures		637,684.04
Inventories		<u>117,206.46</u>
Total Assets	\$	<u><u>26,407,128.39</u></u>

LIABILITIES AND FUND EQUITY

Liabilities		
Encumbrances Payable	\$	11,890,634.58
Accounts Payable		570,387.86
Accrued Payroll		575,834.10
Deferred Revenue		9,069,007.51
Funds Held for Others		46,945.66
Other Liabilities		<u>37,793.05</u>
Total Liabilities	\$	<u><u>22,190,602.76</u></u>
Fund Balances		
Reserved		
Department Sales and Services	\$	1,598,235.97
Indirect Cost Recoveries		427,112.77
Technology Fees		290,327.90
Uncollectible Accounts Receivable		361,913.08
Tuition Carry-Over		1,324,910.24
Inventories		92,639.40
Unreserved		
Surplus		<u>121,386.27</u>
Total Fund Balances	\$	<u><u>4,216,525.63</u></u>
Total Liabilities and Fund Balances	\$	<u><u>26,407,128.39</u></u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a comprehensive basis of accounting other than generally accepted accounting principles.

UNIVERSITY OF WEST GEORGIA  
SUMMARY BUDGET COMPARISON AND SURPLUS ANALYSIS REPORT (NON-GAAP BASIS)  
BUDGET FUND  
YEAR ENDED JUNE 30, 2011

SCHEDULE "2"

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
State Appropriation			
State General Funds	\$ 42,993,711.00	\$ 42,993,711.00	\$ 0.00
Other Funds	92,568,728.00	85,974,604.02	-6,594,123.98
Total Revenues	\$ 135,562,439.00	\$ 128,968,315.02	\$ -6,594,123.98
<u>ADJUSTMENTS AND PROGRAM TRANSFERS</u>			
	0.00	0.00	0.00
<u>CARRY-OVER FROM PRIOR YEARS</u>			
Transfers from Reserved Fund Balance	0.00	2,636,621.59	2,636,621.59
Total Funds Available	\$ 135,562,439.00	\$ 131,604,936.61	\$ -3,957,502.39
<u>EXPENDITURES</u>			
Teaching	\$ 135,562,439.00	\$ 128,007,790.61	\$ 7,554,648.39
Excess of Funds Available over Expenditures	\$ 0.00	\$ 3,597,146.00	\$ 3,597,146.00
<u>FUND BALANCE JULY 1</u>			
Reserved		3,181,153.74	
Unreserved		39,861.96	
<u>ADJUSTMENTS</u>			
Prior Year Payables/Expenditures		115,547.64	
Prior Year Receivables/Revenues		-27,429.16	
Unreserved Fund Balance (Surplus) Returned to Board of Regents - University System Office Year Ended June 30, 2010		-39,861.96	
Early Return of Surplus in Current Fiscal Year		-13,271.00	
Prior Year Reserved Fund Balance Included in Funds Available		-2,636,621.59	
<u>FUND BALANCE JUNE 30</u>		\$ 4,216,525.63	
<u>SUMMARY OF FUND BALANCE</u>			
Reserved			
Department Sales and Services	\$	1,598,235.97	
Indirect Cost Recoveries		427,112.77	
Technology Fees		290,327.90	
Uncollectible Accounts Receivable		361,913.08	
Tuition Carry-Over		1,324,910.24	
Inventories		92,639.40	
Total Reserved	\$	4,095,139.36	
Unreserved Surplus		121,386.27	
Total Fund Balance	\$	4,216,525.63	

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a comprehensive basis of accounting other than generally accepted accounting principles.

UNIVERSITY OF WEST GEORGIA  
 STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET BY PROGRAM AND FUNDING SOURCE  
 (NON-GAAP BASIS) BUDGET FUND  
 YEAR ENDED JUNE 30, 2011

	Original Appropriation	Amended Appropriation	Final Budget	Current Year Revenues
Teaching				
State Appropriation				
State General Funds	\$ 45,717,560.00	\$ 42,993,711.00	\$ 42,993,711.00	\$ 42,993,711.00
Federal Funds				
American Recovery and Reinvestment Act				
Federal Stabilization Funds	647,326.00	0.00	0.00	0.00
Other Funds	70,647,430.00	91,432,495.00	92,568,728.00	85,974,604.02
Total Teaching	<u>\$ 117,012,316.00</u>	<u>\$ 134,426,206.00</u>	<u>\$ 135,562,439.00</u>	<u>\$ 128,968,315.02</u>
Total Operating Activity	<u>\$ 117,012,316.00</u>	<u>\$ 134,426,206.00</u>	<u>\$ 135,562,439.00</u>	<u>\$ 128,968,315.02</u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Funds Available Compared to Budget				Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
Prior Year Carry-Over	Adjustments and Program Transfers	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
\$ 0.00	\$ 0.00	\$ 42,993,711.00	\$ 0.00	\$ 42,993,711.00	\$ 0.00	\$ 0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>2,636,621.59</u>	<u>0.00</u>	<u>88,611,225.61</u>	<u>-3,957,502.39</u>	<u>85,014,079.61</u>	<u>7,554,648.39</u>	<u>3,597,146.00</u>
\$ <u>2,636,621.59</u>	\$ <u>0.00</u>	\$ <u>131,604,936.61</u>	\$ <u>-3,957,502.39</u>	\$ <u>128,007,790.61</u>	\$ <u>7,554,648.39</u>	\$ <u>3,597,146.00</u>
\$ <u>2,636,621.59</u>	\$ <u>0.00</u>	\$ <u>131,604,936.61</u>	\$ <u>-3,957,502.39</u>	\$ <u>128,007,790.61</u>	\$ <u>7,554,648.39</u>	\$ <u>3,597,146.00</u>

UNIVERSITY OF WEST GEORGIA  
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE  
(NON-GAAP BASIS) BUDGET FUND  
YEAR ENDED JUNE 30, 2011

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Period as Funds Available	Return of Fiscal Year 2010 Surplus	Prior Period Adjustments
<b>Teaching</b>				
State Appropriation				
State General Funds	\$ 479.75	\$ 0.00	\$ -479.75	\$ 14,320.07
Federal Funds				
American Recovery and Reinvestment Act				
Federal Stabilization Funds	0.00	0.00	0.00	0.00
Other Funds	<u>2,676,003.80</u>	<u>-2,636,621.59</u>	<u>-39,382.21</u>	<u>73,798.41</u>
<b>Total Teaching</b>	<b>\$ <u>2,676,483.55</u></b>	<b>\$ <u>-2,636,621.59</u></b>	<b>\$ <u>-39,861.96</u></b>	<b>\$ <u>88,118.48</u></b>
<b>Total Operating Activity</b>	<b>\$ 2,676,483.55</b>	<b>\$ -2,636,621.59</b>	<b>\$ -39,861.96</b>	<b>\$ 88,118.48</b>
<b>Prior Year Reserves</b>				
Not Available for Expenditure				
Inventories	145,207.72	0.00	0.00	0.00
Uncollectible Accounts Receivable	<u>399,324.43</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Budget Unit Totals</b>	<b>\$ <u>3,221,015.70</u></b>	<b>\$ <u>-2,636,621.59</u></b>	<b>\$ <u>-39,861.96</u></b>	<b>\$ <u>88,118.48</u></b>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Other Adjustments	Early Return Fiscal Year 2011 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
\$ 52,568.32	\$ -13,271.00	\$ 0.00	\$ 53,617.39	\$ 0.00	\$ 53,617.39	\$ 53,617.39
0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>37,411.35</u>	<u>0.00</u>	<u>3,597,146.00</u>	<u>3,708,355.76</u>	<u>3,640,586.88</u>	<u>67,768.88</u>	<u>3,708,355.76</u>
\$ <u>89,979.67</u>	\$ <u>-13,271.00</u>	\$ <u>3,597,146.00</u>	\$ <u>3,761,973.15</u>	\$ <u>3,640,586.88</u>	\$ <u>121,386.27</u>	\$ <u>3,761,973.15</u>
\$ 89,979.67	\$ -13,271.00	\$ 3,597,146.00	\$ 3,761,973.15	\$ 3,640,586.88	\$ 121,386.27	\$ 3,761,973.15
-52,568.32	0.00	0.00	92,639.40	92,637.40	0.00	92,637.40
<u>-37,411.35</u>	<u>0.00</u>	<u>0.00</u>	<u>361,913.08</u>	<u>361,913.08</u>	<u>0.00</u>	<u>361,913.08</u>
\$ <u>0.00</u>	\$ <u>-13,271.00</u>	\$ <u>3,597,146.00</u>	\$ <u>4,216,525.63</u>	\$ <u>4,095,137.36</u>	\$ <u>121,386.27</u>	\$ <u>4,216,523.63</u>

Summary of Ending Fund Balance

Reserved		
Department Sales and Services	\$ 1,598,235.97	\$ 1,598,235.97
Indirect Cost Recoveries	427,112.77	427,112.77
Technology Fees	290,327.90	290,327.90
Uncollectible Accounts Receivable	361,913.08	361,913.08
Tuition Carry-Over	1,324,910.24	1,324,910.24
Inventories	92,639.40	92,639.40
Unreserved		
Surplus	\$ 121,386.27	\$ 121,386.27
Total Ending Fund Balance - June 30	\$ 4,095,139.36	\$ 4,216,525.63

UNIVERSITY OF WEST GEORGIA  
RECONCILIATION OF SALARIES AND TRAVEL  
YEAR ENDED JUNE 30, 2011

SCHEDULE "5"

	SALARIES	TRAVEL
Totals per Annual Supplement	\$ 62,152,248.94	\$ 1,044,507.00
Accruals		
June 30, 2011	708,747.00	
June 30, 2010	-668,316.00	
Compensated Absences		
June 30, 2011	2,705,970.70	
June 30, 2010	-2,543,174.84	
Lag Salaries		
June 30, 2011	1,583,664.00	
Adjustments		
Denny, John	119.59	
Mills, Logan	495.00	
Sethna, Beheruz	-208.00	
Williams, Christopher	-27,593.58	
Shared Services on Jointly Staffed Personnel		
Atlanta Metropolitan College		
Reid, Gail		-100.00
Clayton State University		
Crafton, Michael		-198,856.47
Shortt, Sylvia		-850.00
Columbus State University		
Butler, Scott		-1,104.08
Georgia Highlands College		
Sorrels, Darrell		6,062.58
Georgia Perimeter College		
Chilluffo, Ronald		-15,241.55
Halonen-Rollins, Minna		-2,476.53
Rollings, Meda		-4,953.06
Georgia Southern University		
Anderson, Jonathan		-8,676.90
Georgia State University		
Fraser, Gregory		-250.00
Halonen-Rollins, Minna		-4,680.00
Hodges, Charles		-32,076.00
Schrober-Peterson, Debra		300.00
Georgia Institute of Technology		
Hild, Matthew		-11,279.00
Kennesaw State University		
McCoy, Anna		1,076.50
Mertler, Craig		-1,000.00
University System Office		
Coleman, Mary		-116,681.62

UNIVERSITY OF WEST GEORGIA  
 RECONCILIATION OF SALARIES AND TRAVEL  
 YEAR ENDED JUNE 30, 2011

SCHEDULE "5"

	SALARIES	TRAVEL
<b>Employee Awards</b>		
Kimbrell, Jacob	\$ -100.00	
Larsen, Karen	-3,000.00	
Lott, Nancy	-1,000.00	
O'Connor, Karen	-1,000.00	
Richardson, Will	-100.00	
Runyan, Elizabeth	-1,000.00	
<b>Relocation Assistance</b>		
Bible, Beatrice	-1,935.00	
Bower, Jami	-1,200.00	
Connell, Lisa	-1,000.00	
De Silva, Landewatte	-1,000.00	
Di Stefano, Eugenio	-1,000.00	
Gourley, Danny	-1,000.00	
Harvey, Rachel	-678.31	
Horne, Cheryle	-1,000.00	
Jun, Hee	-1,000.00	
Miller, Matthew	-1,400.00	
Perkins, Krystal	-1,000.00	
Pitzulo, Carrie	-1,000.00	
Popov-Reynolds, Nadejda	-1,000.00	
Rumann, Corey	-1,000.00	
Steele, Michael	-1,000.00	
Tefend, Karen	-1,000.00	
Unidentified Variance	-11,011.00	\$ -7,171.80
	\$ 63,486,742.37	\$ 1,037,335.20

**SECTION II**

**CURRENT YEAR FINDINGS AND QUESTIONED COSTS**

UNIVERSITY OF WEST GEORGIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2011

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.