

# GEORGIA

Comprehensive Annual Financial Report  
June 30, 1999

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# State of Georgia

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## Comprehensive Annual Financial Report June 30, 1999

Prepared by  
GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS  
Russell W. Hinton, State Auditor

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### Georgia's State Bird

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*Cover Drawing by Scott Fuss*

At the request of the Garden Clubs of Georgia, the brown thrasher was designated by the Legislature as the official state bird in 1970. The thrasher is commonly found in the eastern section of the United States, ranging north to Canada and west to the Rockies. Almost a foot in length, the thrasher has a rich brown color on its top side and a creamy white breast heavily streaked with brown.

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# State of Georgia

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# ————— I n t r o d u c t o r y S e c t i o n —————



## DEPARTMENT OF AUDITS AND ACCOUNTS

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**RUSSELL W. HINTON**  
STATE AUDITOR  
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February 29, 2000

The Honorable Roy E. Barnes  
Governor of Georgia  
and  
Members of the General Assembly  
Citizens of the State of Georgia

The Comprehensive Annual Financial Report of the State of Georgia for the year ended June 30, 1999, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the State. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities have been included.

This report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section, which is unaudited, includes this transmittal letter, an organization chart and a listing of principal officials. The Financial Section includes the general purpose financial statements and the combining financial statements, the auditor's report on the financial statements, and required supplementary information. The Statistical Section, which is unaudited, includes selected financial and demographic information, generally presented for multiple years.

Federal laws and regulations require that the State undergo an annual audit in conformity with the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to the single audit, which includes a schedule of expenditures of federal awards, a report on internal control and compliance applicable to each major program, and a schedule of findings and questioned costs, is included in a separately issued State of Georgia Single Audit Report. Also included is a report on internal control over financial reporting and compliance with certain laws, regulations, contracts and grants in accordance with *Government Auditing Standards*.

This Comprehensive Annual Financial Report presents information on the financial position and operations of state government as one reporting entity. The various agencies, departments, boards, commissions and funds of Georgia state government which constitute the State financial reporting entity are included in the Comprehensive Annual Financial Report in accordance with criteria established by

the Governmental Accounting Standards Board. These criteria define the financial reporting entity as the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations which make up its legal entity and for legally separate organizations if its officials appoint a voting majority of the organization's governing board and either the primary government is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific burdens on the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent upon it.

The State of Georgia provides a variety of governmental services as set forth in its Constitution and statutes. These services include education, health and welfare, transportation, public safety, economic development, recreation and conservation.

## ECONOMIC CONDITION AND OUTLOOK

Growth in a state's economy depends both upon the absorption into production of a larger volume and a higher quality of inputs and upon the improved effectiveness of technological combinations of inputs which are used. In the private sector, inputs rise in response to income-, credit-, or cyclically-driven calls for goods and services within the state. Their mix is settled by managers and entrepreneurs after consideration of productivity, selling opportunities, and prices. Inputs also rise to allow production of more goods and services for export to an expanding region outside, be it in the nation or in a foreign country. Even a rise in imports, which both "displaces" and "disciplines" domestic production, aids growth by stimulating the trade and distribution industries, bringing in new technologies, and by forcing activity into lines where in-state productivity can be made competitive. Though the full effects come later, growth is bolstered as well by business spending that enlarges and improves the stocks of physical capital (as through construction) and human capital (as through training).

In the government sector, activity increases as more is spent on the delivery of services and goods to satisfy final or intermediate users. Since government's power to buy inputs comes from the private sector, expansion there generally gives government the means to add to its programs and projects. However, in order that revenues rise, tax bases must be embodied within variables that register the private-sector advance. Shifts in patterns of expenditure or production can leave an unwary government separated from the process of growth. Moreover, when private growth is suddenly strong, an inertia in government spending can generate feelings of fiscal wellbeing and spawn tax adjustments, typically downward. It can also give opportunity for a redefinition of public needs and for a restructuring of expenditures to accommodate them. Consequently, in the short-term, an advance in private activity need not boost growth in the government sector.

Over time, a state's economic gains will be generated mainly by synergic action among the private and government sectors, both of which grow. Inter-sectoral seepage goes both ways and changes with time. New technologies evolve, capital is created, workforces are trained, and new markets develop. Furthermore, the replacement of technology, inputs, and products by new or better varieties waits upon

the erosion of established sentiments and practices and upon the depreciation and obsolescence of competing resources. These changes are not identically paced among households, businesses, and governments. Accordingly, a state's economic growth is conditioned by performance in the past as well as by expectations regarding the future. Certainly, the mere passage of time, as might be measured from a prior activity peak or dip, is not determining.

Counterparts to the highlighted influences on growth emerge from Georgia data for fiscal year 1999. Looking first at available resources, Georgia's population has increased by about 2 percent over that of a year ago, essentially the mean annual rate recorded since 1993. Spurred by tight labor markets, the labor force has climbed commensurately. Admittedly, the gain has been less than in earlier years, especially in the 1980's and early 1990's, when participation rates rose at the same time. Though growth has been less, the employable proportion of the labor force has been greater. That is, the unemployment rate in fiscal year 1999 has dipped to 3.6 percent. While above the 2.9 percent rate achieved in the 1960's and the 3.4 percent low of the 1970's, this rate follows a declining trend starting at 6.9 percent in 1992. Judging by manufacturing, the worker stock in Georgia in fiscal year 1999 has also become more productive. Real wages have climbed to a level almost 1.0 percent above that of a year ago.

Of course, labor's productivity has been helped by a larger capital stock. Employment in heavy construction has increased by roughly 9 percent and, as in the U.S. economy, spending on additions to the stock of information processing equipment and software has risen by roughly 12 to 15 percent after adjustment for price changes. Although the net contribution to capital probably has grown more slowly than spending, given the technological innovation in the industry, both the quality and the size of Georgia's capital stock must have increased. In fact, using national data for fiscal year 1999 and applying the results to the State, it appears that Georgia's volume of physical capital used in production, after allowing for depreciation and obsolescence, has climbed by around 3 percent. In addition, experience with the new capital has induced businesses to continue investments in information processing equipment and software so as to maintain their competitive positions.

The inflow of new people, the response to economic opportunity of existing households, and the continued strength of the U.S. economy have undergirded the increase in activity levels in Georgia in fiscal year 1999. In-state needs of a growing population have driven expenditures for housing, furniture and appliances, and private and government services to new heights. A credit-financed extension of the boom in the purchases of motor vehicles has also helped business activity. Although the exact influence is not determinable, a stronger advance of the Nation's total output in fiscal year 1999 than in fiscal year 1998 (5.3 percent versus 5.1 percent) has strengthened an outside market for Georgia's outputs. The net effect of the spending stimuli has been to raise Georgia's non-agricultural employment by about 4.1 percent, a gain which has put Georgia among the five fastest-growing states in the Nation. The employment gain has been strongest in industries accommodating the purchasing of additional people. Construction employment has risen by 11.1 percent, wholesale and retail trade by 3.7 percent, and services by 7.1 percent. During fiscal year 1999, personal income, a summary measure of economic activity, has climbed by 7.4 percent and has accounted for 2.72 percent of the U.S. total; in fiscal year 1998, in comparison, the gain was 6.9 percent and the proportion of the U.S. total was 2.67 percent.

For the State, revenues in fiscal year 1999 have climbed by 8.3 percent. Collections from the individual income tax and the corporation income tax each have risen by 6.9 percent and from the sales and use tax have climbed by 11.3 percent. Comparing the revenue increase in fiscal year 1999 to that in fiscal year 1998, 8.3 versus 5.3 percent, it appears that aspects of tax provision and collection have somehow changed either among taxpayers or in the State. Though rates of gain of personal income in the two

fiscal years differed by only one-half of a percentage-point, the difference in the rate of gain of collections was three percentage-points. Among major components, the tax responses to private growth differed as well. In fiscal year 1998, the gain in individual income taxes had been higher (12.2 versus 6.9 percent) while gains in corporation income and sales and use taxes had been lower (5.4 versus 6.9 and -1.5 percent versus 11.3 percent, respectively).

Although the State's revenues in fiscal year 1999 have risen by more, its budgetary allotments have advanced by less than in fiscal year 1998. Allotments have risen by only 5.4 percent whereas in the preceding year they had climbed by 6.5 percent. The "excess revenues" resulting from the higher yield in fiscal year 1999 has given the State a hedge against the risk of revenue fluctuation. Fiscal year 1998's gain of 5.3 percent sandwiched between prior and subsequent rates of 6.6 and 8.3 percent, respectively, has shown that risks of significant revenue variation are faced even when growth in the private sector is stable.

As already remarked, the economy of Georgia in fiscal year 2000 will bear marks of constraint and expansion which have surfaced or developed in fiscal years 1999 and 1998. At the same time, unique influences will emerge. In the private sector, the stimulus to business spending on structures and on equipment and software will continue to be pushed by technological advance and falling prices. It will be aided by real interest rates, which stand unchanged. However, with U.S. and Georgia labor supplies fully employed, much of the growth in purchases of equipment and of software will be met, as in fiscal year 1999, by imports rather than by domestic production. Growth in earnings in fiscal year 2000 will fuel most of the increase in within-state personal spending. The rate of increase in earnings in fiscal year 1999 has been about 10.5 percent, a percentage point above that in fiscal year 1998. With labor markets "tight", an earnings gain in fiscal year 2000 of more than 10.5 percent would be unlikely. Its realization would require that the expected gains in labor force (2 percent) and in average compensation (5 percent) be bolstered by shifts of workers toward higher-pay occupations and industries. During fiscal year 1999, manufacturing wages were about 30 percent above those in services and about 125 percent above those in retail trade. Yet, the services and retail trade industries added workers at about 7 and 4 percent rates, respectively, whereas manufacturers recorded less than 1 percent. The heading of industry shifts, were it to continue, runs counter to what is needed to push growth in fiscal year 2000 to a higher plane. An upsurge in productivity beyond the 3 percent record of last year clearly could lift earnings beyond the year-ago level. Similarly, a continuing increase in wealth tied to equities could raise expenditures out of earnings enough to elevate growth. However, with productivity gains highly volatile and with savings levels at no more than 2 percent of income, neither influence is likely to intervene.

Within the State, a persistent regional imbalance in growth has contributed to Georgia's overall economic advance. At the same time, it has undermined the distribution of improved wellbeing. In fiscal year 1999, the twenty-county Atlanta area, accounting for 55 percent of the State's jobs, was responsible for 71 percent of the State's increase in employment. Only during the preparations for the Olympic Games in 1996 had Atlanta's growth proportion been any higher. Since Atlanta's average weekly earnings stand roughly 5 to 10 percent above those for the rest of the State, any loss of the Atlanta share of growth not offset by stronger growth elsewhere would reduce the State's overall rate of earnings gain. Recognizing the growth problem being faced, the State has put in place a regional policy of tax incentives intended to give a "high-tech boost" to all of Georgia while favoring the non-Atlanta region with special and stronger supports. The power of these differentiated incentives to improve both growth and its distribution in fiscal year 2000 remains to be tested.

In the State sector, revenue flows in fiscal year 2000 will rise strongly, but will be bounded by the constraints on spending and earnings, which have been set forth. Individual income and sales taxes appear likely to rise by roughly 9 and 6 percent, respectively. The relative weakness in sales tax growth will reflect a slowing in growth of business purchases, an expected response to an easing in the rate of advance of corporate profits and so of cash flow. Overall, the State's revenue gain will be close to, but slightly, under the rate of gain in fiscal year 1999 (once the "noise" in tax-paying and tax-collecting has been removed). That is, revenues in fiscal year 2000 will probably climb by between 6 and 7 percent. With the State's budget already scheduled to grow by 5 to 6 percent, collections will once again allow the State to maintain a slight hedge against the risk of a private-sector recession which, while expected, is not yet in sight.

## MAJOR INITIATIVES

### **Economic Development**

State funds will assist in restructuring and expanding the Jobs for Georgia Graduates (JGG) program. JGG, extended from a 2-year to a 5-year program, is a school-to-work transition program designed to help "at risk" youth, ranging from 9<sup>th</sup> grade through 1 year after high school graduation, enter the workplace, the military, or continue their education after high school. By extending the program to students in grades 9 through 11, JGG will more effectively reach "at risk" youth who might otherwise drop out of high school before their senior year.

### **Education**

The Teacher Preparation Initiative was created as a result of continuing efforts to increase both the academic standards of the University System and the quality of instruction. The goals of this initiative are (1) to strengthen the preparation of early childhood and middle school teachers in reading and mathematics; (2) to give added emphasis to the "hands-on" experience of teacher candidates through stronger partnerships between universities and the public schools; (3) to raise significantly the quality of preparation programs for school leaders; and (4) to contribute toward bringing an end to out-of-field (teaching a subject with less than an academic minor) teaching in Georgia.

### **Environment**

The Georgia Regional Transportation Authority (GRTA) was created in 1999 to combat traffic congestion, air pollution and poorly planned development in the 13-county Atlanta region that is currently a "non-attainment" area under the federal Clean Air Act. GRTA's main role will be to review, approve, and help implement transportation plans for the 13-county region that will bring the region into compliance with air quality standards. If other regions of the state are designated as "non-attainment" areas, they would then fall under GRTA's purview. In conjunction with GRTA, the proposed Georgia State Agency Rideshare Office will provide effective coordination of all programs relating to alternative transportation for state employees. This office will work closely with state agencies to encourage their adoption of policies and programs to promote carpooling, vanpooling, mass transit, telecommuting, and alternative work schedules. The Rideshare Office will also monitor state employees' transportation attitudes and habits, and propose statewide programs and policies to accomplish the goal of reducing single-passenger trips to work by state employees in metro-Atlanta.

### **Human Resources**

Funds will assist in implementing population-based community cardiovascular prevention programs that will focus on modifying behaviors and eliminating conditions that put individuals at risk of illness

and/or disability. The introduction of community-based initiatives focusing primarily on prevention, such as smoking cessation, nutrition education, weight management and exercise promotion, could reach a greater number of Georgians than the traditional and more costly clinic-based programs and have a significant impact on deaths attributable to chronic diseases.

### **Medicaid**

The PeachCare for Kids Act was developed to take advantage of the Children's Health Insurance Program created under the federal Balanced Budget Act of 1997. Eligibility for the program is limited to uninsured children, birth to age 18, in families with incomes up to 200% of the Federal Poverty Level.

## FINANCIAL INFORMATION

### **Internal Controls**

Management of the State is responsible for establishing and maintaining internal accounting controls designed to ensure that assets are safeguarded and that financial transactions are properly recorded and adequately documented. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Controls**

The objective of budgetary control is to ensure compliance with legal provisions embodied in the General Appropriations Act enacted by the General Assembly. Annual appropriated budgets are adopted at the departmental level and are applicable to the general, debt service and capital projects funds. All unencumbered annual appropriations lapse at fiscal year end unless otherwise specified by the Constitution or statute. The Constitution further authorizes the passage of additional Supplementary Appropriation Acts for specific purposes, provided sufficient unappropriated funds are available or additional revenue measures have been enacted. Federal funds received by the State are continually appropriated in the exact amounts and for the purposes authorized and directed by the awarding federal agency.

The budgetary basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). In addition, the fund structure utilized to implement the annual budget differs extensively from the fund structure presented in these financial statements.

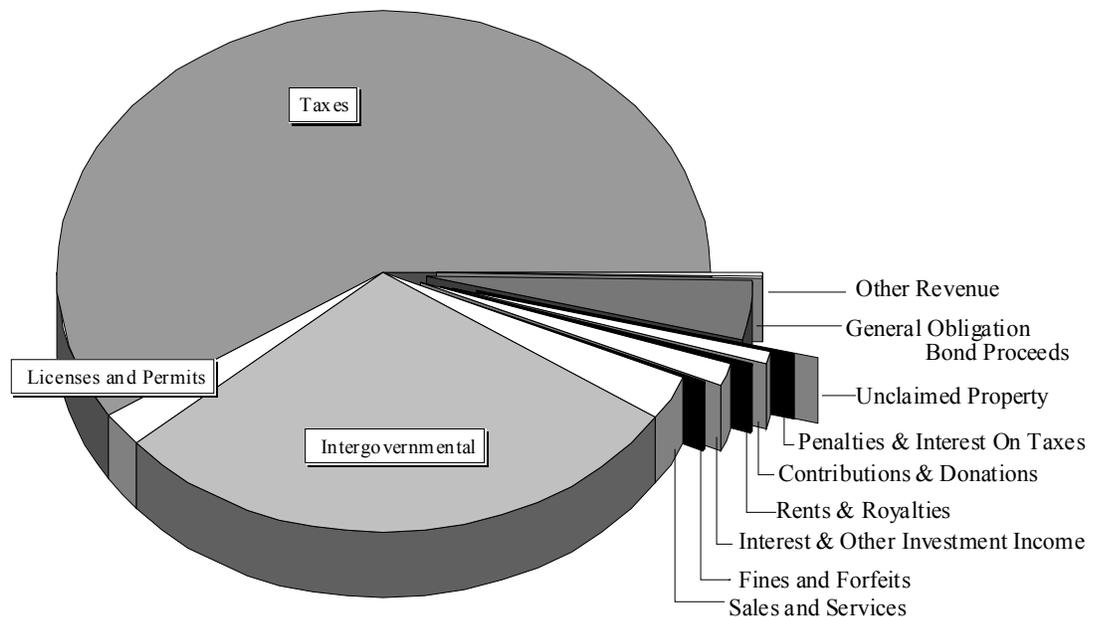
The State of Georgia Report of the State Auditor is issued annually by the undersigned prior to the issuance of this report. The sole purpose of the Report of the State Auditor is to provide the General Assembly with information concerning financial compliance with the Amended Appropriations Act for the fiscal year. In contrast to issuing financial statements in accordance with generally accepted accounting principles, the financial statements presented in the Report of the State Auditor are reported in conformity with statutory requirements.

### **General Governmental Functions**

The following schedules present summaries of general fund, special revenue fund, capital projects fund and debt service fund revenues and expenditures. These revenues and expenditures are reported on the modified accrual basis of accounting. Revenues from governmental fund type sources for fiscal years 1999 and 1998 are compared in the following table:

<u>Revenues and Other Sources</u>	<u>FY 1999</u>		<u>FY 1998</u>		<u>Increase (Decrease) From FY 1998</u>	<u>Percent of Increase (Decrease)</u>
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>		
Taxes	\$ 12,021,751,940	59.4%	\$ 11,439,170,422	61.0%	\$ 582,581,518	5.1 %
Licenses and Permits	397,962,567	2.0%	346,081,148	1.8%	51,881,419	15.0 %
Intergovernmental	5,923,606,145	29.3%	5,617,029,811	29.9%	306,576,334	5.5 %
Sales and Services	581,123,782	2.87%	536,827,964	2.9%	44,295,818	8.3 %
Fines and Forfeits	41,657,448	0.20%	49,204,317	0.26%	(7,546,869)	(15.3)%
Interest and Other Investment Income	300,699,674	1.48%	275,999,300	1.5%	24,700,374	8.9 %
Rents and Royalties	16,872,007	0.08%	13,920,492	0.07%	2,951,515	21.2 %
Contributions and Donations	187,061,598	0.9%	192,209,388	1.0%	(5,147,790)	(2.7)%
Penalties and Interest on Taxes	5,991,314	0.02%	9,485,653	0.05%	(3,494,339)	(36.8)%
Unclaimed Property	26,104,874	0.12%	20,690,958	0.1%	5,413,916	26.2 %
General Obligation Bond Proceeds	720,607,460	3.6%	257,123,411	1.4%	463,484,049	180.3 %
Other Revenue	<u>7,209,322</u>	<u>0.03%</u>	<u>5,409,857</u>	<u>0.02%</u>	<u>1,799,465</u>	33.3 %
	<u>\$20,230,648,131</u>	<u>100.0%</u>	<u>\$18,763,152,721</u>	<u>100.0%</u>	<u>\$1,467,495,410</u>	7.8 %

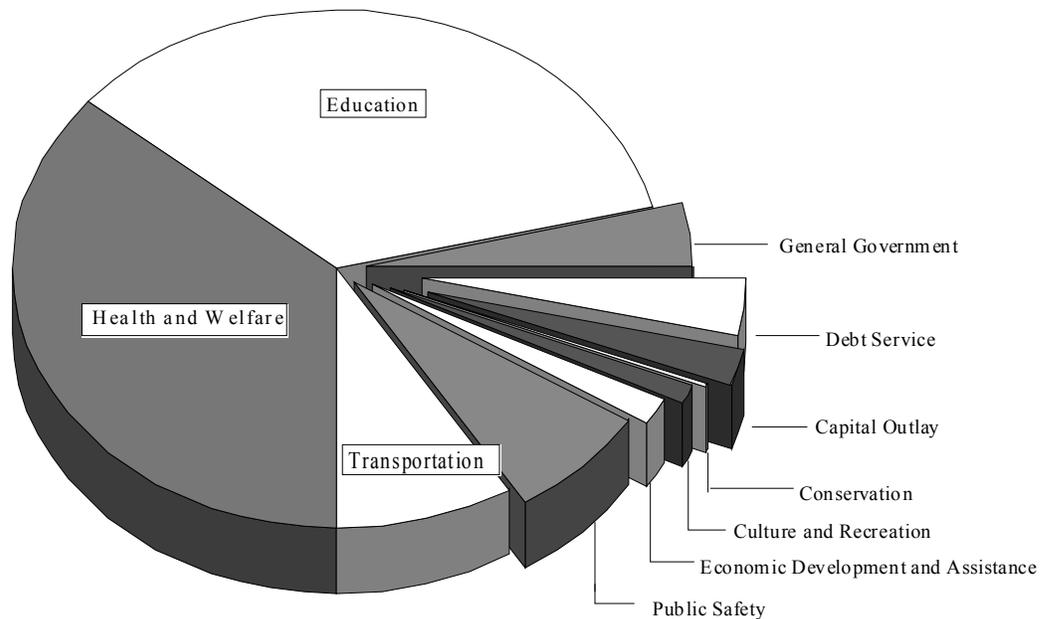
## 1999 Revenues and Other Sources



Expenditures by governmental fund type function for fiscal years 1999 and 1998 are compared in the following table:

<u>Expenditures by Function</u>	<u>FY 1999</u>		<u>FY 1998</u>		<u>Increase (Decrease) From FY 1998</u>	<u>Percent of Increase (Decrease)</u>
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>		
General Government	\$ 744,530,087	3.98%	\$ 653,302,692	3.8%	\$ 91,227,395	13.9%
Education	6,531,830,567	34.93%	6,155,220,908	35.5%	376,609,659	6.1%
Health and Welfare	6,786,022,660	36.3%	6,479,723,177	37.3%	306,299,483	4.7%
Transportation	1,638,089,933	8.8%	1,385,250,996	7.9%	252,838,937	18.3%
Public Safety	1,333,092,110	7.12%	1,193,748,916	6.9%	139,343,194	11.7%
Economic Development and Assistance	347,537,124	1.9%	264,913,965	1.53%	82,623,159	31.2%
Culture and Recreation	192,199,439	1.0%	185,622,125	1.11%	6,577,314	3.5%
Conservation	51,118,994	0.27%	45,865,385	6.9%	5,253,609	11.5%
Capital Outlay	392,319,581	2.1%	346,296,387	1.53%	46,023,194	13.3%
Debt Service	681,973,633	3.6%	645,791,398	3.7%	36,182,235	5.6%
	<u>\$18,698,714,128</u>	<u>100.0%</u>	<u>\$17,355,735,949</u>	<u>100.0%</u>	<u>\$1,342,978,179</u>	7.7%

## 1999 Expenditures by Function



### **Proprietary Operations**

The State maintains various proprietary funds which account for ongoing activities and organizations that are similar to those found in the private sector. Proprietary funds include such primary government activities as the Georgia Building Authority and the service centers of the Department of Administrative Services. Discretely presented component unit proprietary funds include, among others, the Georgia Ports Authority and the George L. Smith II Georgia World Congress Center Authority. Financial activities of the proprietary funds are presented in the combined and combining financial statements of the enterprise and internal service funds.

### **Pension Trust Funds**

The State maintains fourteen pension plans, seven of which are included within the primary government. The major pension plans are the Employees' Retirement System of Georgia, which is included within the primary government, and the Teachers Retirement System of Georgia, which is included within these financial statements as a discretely presented component unit. Financial activities of the pension trust funds are presented in the combining financial statements of pension trust funds for the primary government (except for the Regents Retirement Plan, which is included in the college and university funds), and the combining financial statements of fiduciary fund types for the component units.

### **Debt Administration**

At June 30, 1999, outstanding general obligation debt issues of the State of Georgia totaled \$4,779,730,000. Outstanding revenue bonds of certain blended and discretely presented component units totaled \$1,207,723,493, of which \$170,387,350 are guaranteed by the State of Georgia.

During fiscal year 1999, general obligation bonds in the amount of \$588,075,000 were retired. General obligation debt issued during fiscal year 1999 totaled \$862,030,000.

At June 30, 1999, the State of Georgia maintained the following investment service bond ratings:

Moody's Investors Service	Aaa
Standard & Poor's Corporation	AAA
Fitch's Investor's Service, Incorporated	AAA

Under the Constitution of the State of Georgia, the highest aggregate annual debt service for all outstanding general obligation and guaranteed revenue debt may not exceed 10 percent of the previous fiscal year's revenue collections.

Further detailed information on outstanding bonds is reflected in the Financial Section, Notes to the Financial Statements and Statistical Section of this report.

### **Cash Management**

The State's investment policy is to maximize the protection of State funds on deposit while accruing an advantageous yield of interest by investing the funds in excess of those required for current operating expenses. Cash is managed in pooled funds to maximize interest earnings. Types of investments are dictated by legislation and are reviewed quarterly.

## **Risk Management**

The State assumes substantially all risks associated with the following:

- Claims of covered employees for medical insurance and group life insurance benefits;
- Claims with respect to death or permanent disability of any law enforcement officer, fireman, or prison guard in the line of duty (limited to a five year disbursement totaling \$75,000 or an immediate lump sum settlement of \$65,221 per occurrence);
- Claims of covered employees for workers' compensation benefits;
- Claims of State employees for unemployment compensation benefits;
- Liability claims against employees of the University System of Georgia; and
- Liability claims in connection with abatement and removal of asbestos and other hazardous materials.

The State also purchases commercial insurance coverage and self-insures to cover risks associated with the following:

- State owned real and personal property;
- Liability claims actionable under the law which parties may file against the State, its agencies, officials, employees or appointees;
- Liability claims against State authorities arising from their operations; and
- Honesty and faithful performance bonds on employees.

Various risk control techniques are utilized to minimize accident-related losses. These techniques include safety inspections, assistance in establishing safety programs, training and certification of employees as American Automobile Association instructors, and maintenance of an extensive safety library.

## **OTHER INFORMATION**

### **Independent Audit**

The financial statements of all organizations comprising the State reporting entity have been separately examined and reported on by either the State Auditor or independent certified public accountants. The

accompanying financial statements for the State of Georgia have been prepared from the results of those examinations. The State Auditor's opinion thereon appears at the beginning of the Financial Section of this report.

**Compilation of Transmittal Letter**

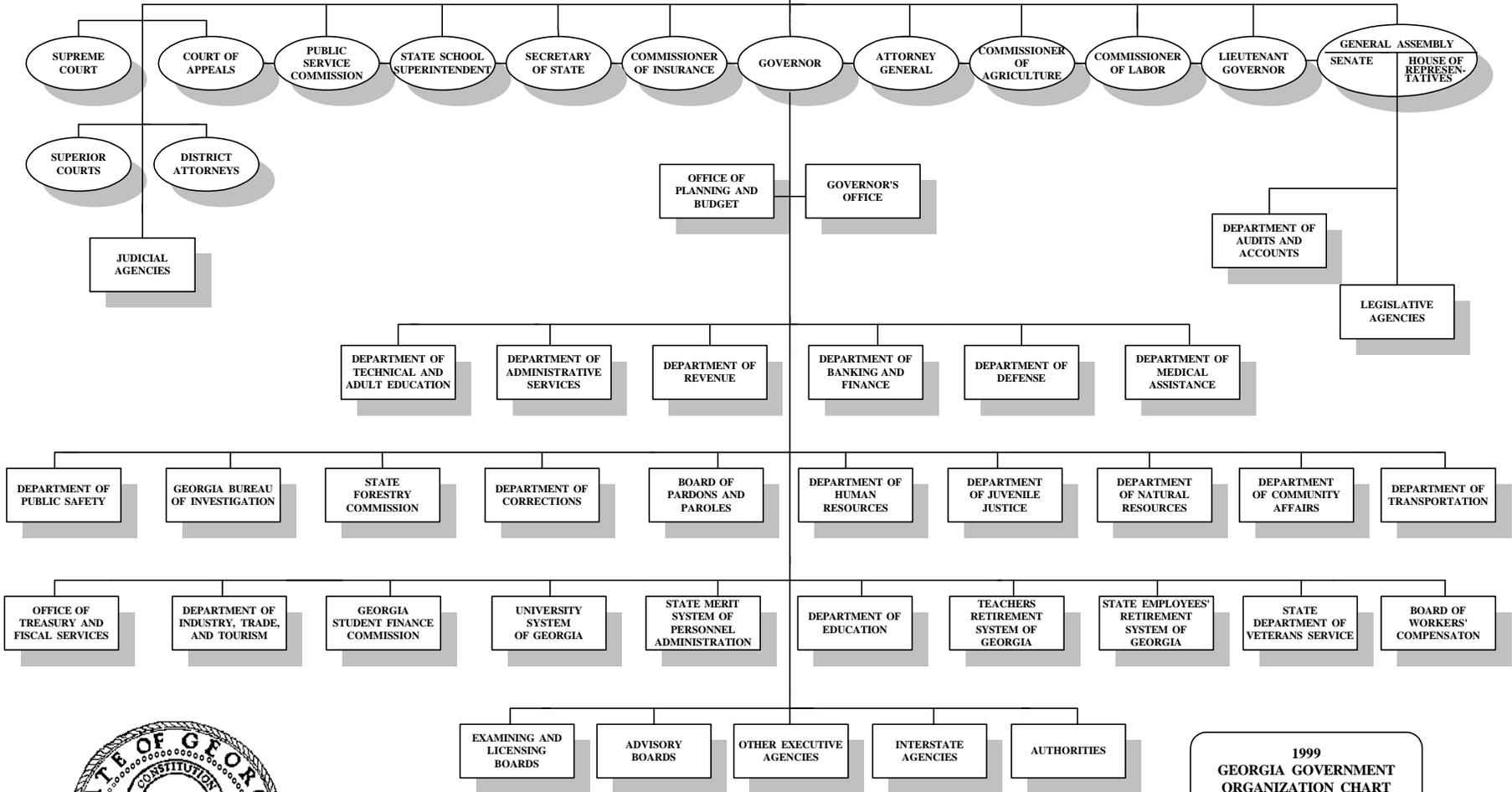
This transmittal letter has been compiled utilizing information contributed by various State management sources.

Respectfully submitted,

Russell W. Hinton  
State Auditor

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# GEORGIA ELECTORATE



III



**1999  
GEORGIA GOVERNMENT  
ORGANIZATION CHART**

○ ELECTED  
□ APPOINTED

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# State of Georgia

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Principal State Officials  
June 30, 1999

## **Executive:**

Roy Barnes  
*Governor*

Cathy Cox  
*Secretary of State*

Thurbert E. Baker  
*Attorney General*

Michael Thurmond  
*Commissioner of Labor*

Linda C. Schrenko  
*State Superintendent of Schools*

John W. Oxendine  
*Commissioner of Insurance*

Thomas T. Irvin  
*Commissioner of Agriculture*

Stan Wise, Chairman  
Robert "Bobby" Baker, Jr.  
David L. Burgess  
Bob Durden  
Lauren "Bubba" McDonald, Jr.  
*Public Service Commission*

## **Legislative:**

Mark Taylor  
*Lieutenant Governor/President of the Senate*

Thomas B. Murphy  
*Speaker of the House of Representatives*

## **Judicial:**

Robert Benham  
*Chief Justice of the Supreme Court*

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————— Financial Section —————



# DEPARTMENT OF AUDITS AND ACCOUNTS

254 Washington Street, S.W., Suite 214

Atlanta, Georgia 30334-8400

**RUSSELL W. HINTON**  
STATE AUDITOR  
(404) 656-2174

## INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable Roy E. Barnes  
Governor of Georgia  
and  
Members of the General Assembly  
of the State of Georgia

We have audited the accompanying general purpose financial statements of the State of Georgia, as listed in the Table of Contents, as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain organizations which, combined, represent less than 1% of the assets and revenues of the general fund, 100% of the assets and revenues of the capital projects funds, 64% of the assets and 24% of the revenues of the internal service funds, 70% of the assets of the fiduciary funds and 100% of the pension trust funds revenues, and 5% of the assets and less than 1% of the liabilities of the general fixed assets and general long-term debt account groups, respectively. In addition, we did not audit certain discretely presented component units which represent 100% of the assets and revenues of the component unit governmental fund types, 84% of the assets and 95% of the revenues of the component unit proprietary fund types and 98% of the assets and 98% of the revenues of the component unit fiduciary fund types. The financial statements of these organizations and component units were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those financial statements, is based solely upon the reports of the other auditors.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. The financial statements of the Employees' Retirement System of Georgia, Georgia Lottery Corporation, Georgia Ports Authority, and Teachers' Retirement System of Georgia were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

The State of Georgia's accounting system is decentralized in nature. The management of each organizational unit is responsible for maintaining accounting records pertinent to its operations and each retains complete responsibility and control over their operations, including revenue collections and disbursements. The State's principal accounting system, the Fiscal Accounting and Control System (FACS), is utilized by 66 state organizations. This accounting system allows for the accumulation of financial data, by state organization, on a basis of accounting prescribed or permitted by the budgetary statutes and regulations of the State of Georgia. Constitutional and statutory provisions of the State of Georgia do not provide for a position or organizational unit responsible for the preparation of statewide financial statements. It was necessary for staff of the Department of Audits and Accounts to consolidate financial information presented in individual organization financial statements and to prepare adjusting journal entries necessary for the production of the general purpose financial statements. We are therefore not independent with regard to the preparation of accounting entries required to convert the consolidated budgetary financial statements to general purpose financial statements prepared in accordance with generally accepted accounting principles.

As discussed in Note 1 to the general purpose financial statements, the State of Georgia did not maintain adequate systems to account for or to depreciate (when required) fixed assets in conformity with generally accepted accounting principles. We were unable to determine the effect of these limitations on the general purpose financial statements.

As discussed in Note 1 to the general purpose financial statements, the accounting systems of the State of Georgia did not facilitate recording encumbrances in conformity with generally accepted accounting principles. Contractual obligations for services performed and for goods which have not been delivered at the end of the fiscal year are recognized as expenditures and liabilities in the accompanying financial statements. The recognition of encumbrances as expenditures and liabilities is not consistent with generally accepted accounting principles. We were unable to determine the effect of these limitations on the general purpose financial statements.

As discussed in Note 1 to the general purpose financial statements, revenues for certain expenditure-driven programs were accrued based on the unexecuted portion of contracts for goods and services. These accruals primarily affected the Intergovernmental and Sales and Services revenue categories. We were unable to determine the effect of this departure from generally accepted accounting principles on the general purpose financial statements.

As discussed in Notes 9 and 10 to the general purpose financial statements, the State of Georgia did not maintain adequate systems to identify, classify, and report leases as operating or capital leases in conformity with generally accepted accounting principles. We were unable to determine the effect of these limitations on the general purpose financial statements.

As discussed in Note 1 to the general purpose financial statements, the State of Georgia maintained certain pension trust funds on essentially the cash basis of accounting. This basis of accounting is not in conformity with generally accepted accounting principles. We were unable to determine the effect of this departure from generally accepted accounting principles on the general purpose financial statements.

As discussed in Note 1 to the general purpose financial statements, the State's accounting system has limitations in identifying transactions between organizations whose financial activity is included within an individual fund. State accounting policies and procedures allow the recording of revenues, receivables, expenses and payables for such transactions. All such intrafund transactions have not been eliminated as required by generally accepted accounting principles. We were unable to determine the effect of these overstatements on the general purpose financial statements.

In our opinion, based on our audit and the reports of other auditors, except for the effects of the matters discussed in the preceding paragraphs, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the State of Georgia as of June 30, 1999, and the results of its operations, the cash flows of its proprietary fund types and its nonexpendable trust funds, the changes in net assets of its pension trust funds and investment trust fund, and the changes in fund balances and current funds revenues, expenditures, and other changes of the college and university funds, for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the general purpose financial statements, the State of Georgia implemented Statement No. 32 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Internal Code Section 457, Deferred Compensation Plans*, in fiscal year 1999.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 29, 2000, on our consideration of the State of Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are included in the State of Georgia *Single Audit Report*.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The section entitled "*Retirement Systems - Required Supplementary Schedules*" within Financial Section, Required Supplementary Information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, except for the effects of the matters noted above, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The Introductory and Statistical Sections, identified in the Table of Contents, were not audited by us and, accordingly, we express no opinion on such information.

Respectfully submitted,

Russell W. Hinton, CPA, CGFM  
State Auditor

February 29, 2000

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———— General Purpose Financial Statements ————

# State of Georgia

## Combined Balance Sheet All Fund Types, Account Groups and Discretely Presented Component Units June 30, 1999

	Primary Government					
	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>Assets and Other Debits</b>						
Assets:						
Cash and Cash Equivalents	\$ 618,282,151	\$ 721,916	\$ 212,076,717	\$ —	\$ 28,691,341	\$ 56,412,790
Cash and Cash Equivalents in Nonexpendable Trust Funds	—	—	—	—	—	—
Investments	3,490,783,335	2,113,196	—	1,075,524,082	149,835,759	1,100,954,308
Receivables (Net of Allowances for Uncollectibles)						
Intergovernmental - Federal	2,162,483,774	—	—	—	—	—
Interest and Dividends	40,133,037	—	—	15,277,924	892,070	—
Notes and Loans	—	—	—	—	—	—
Taxes	1,074,450,798	—	—	—	—	—
Other	216,603,605	1,798,500	—	138,850	6,950,661	7,641,212
Due from Other Funds	—	—	—	—	—	17,165,433
Due from Primary Government	—	—	—	—	—	—
Due from Component Units	711,326	—	—	—	—	269,350
Interfund Receivables	—	—	—	1,984,169	—	—
Inventories	49,290,958	—	—	—	—	14,546,984
Prepaid Items	49,002,128	—	—	—	—	752,860
Restricted Assets						
Cash and Cash Equivalents	—	—	—	—	—	—
Investments	—	—	—	—	—	—
Receivables	—	—	—	—	—	—
Interest and Dividends	—	—	—	—	—	—
Loans	—	—	—	—	—	—
Advances to Other Funds	6,925	—	—	—	—	—
Advances to Component Units	53,750	—	—	12,647,162	—	—
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)	—	—	—	—	359,988	417,376,675
Deferred Charges	—	—	—	—	—	—
Other Assets	33,092,225	—	—	—	—	—
Other Debits:						
Amount Available in Debt Service Fund	—	—	—	—	—	—
Amount to be Provided for Retirement of General Long-Term Debt	—	—	—	—	—	—
<b>Total Assets and Other Debits</b>	<b>\$ 7,734,894,012</b>	<b>\$ 4,633,612</b>	<b>\$ 212,076,717</b>	<b>\$ 1,105,572,187</b>	<b>\$ 186,729,819</b>	<b>\$ 1,615,119,612</b>
<b>Liabilities, Equity and Other Credits</b>						
Liabilities:						
Cash Overdraft	\$ —	\$ —	\$ —	\$ 17,657,757	\$ —	\$ —
Accounts Payable and Other Accruals	994,674,450	23,906	—	30,003,622	1,767,563	25,984,980
Compensated Absences Payable	—	—	—	—	93,444	8,523,540
Claims and Judgments Payable	—	—	—	—	—	431,717,753
Contracts Payable	1,923,397,586	—	—	20,610,420	213,217	15,116,341
Salaries/Withholdings Payable	671,252,247	—	—	—	—	13,724
Benefits Payable	369,348,188	—	—	—	218,520,779	—
Due to Other Funds	14,296,095	72,131	—	—	—	515
Due to Primary Government	—	—	—	—	—	—
Due to Component Units	2,053,033	—	—	247,993	—	5
Interfund Payables	—	—	—	—	—	—
Accrued Interest Payable	—	—	—	—	—	—
Undistributed Local Government Sales Tax	56,741,145	—	—	—	—	—
Deferred Revenue	199,795,948	3,151	—	86,457	15,490,609	—
Capital Leases/Installment Purchases Payable	—	—	—	—	—	8,871,215
Mortgage Loans under Repurchase Agreements	—	—	—	—	—	—
Funds Held for Others	108,033,388	—	—	—	—	—
Other Liabilities	727,039	—	—	25,875,668	—	—
Deposits and Overpayments	—	—	—	—	—	969,978
Advances from Other Funds	—	—	—	—	—	—
Advances from Primary Government	—	—	—	—	—	—
Long-Term Debt Payable (Net of Unamortized Discounts)	—	—	—	—	—	850,000
<b>Total Liabilities</b>	<b>\$ 4,340,319,119</b>	<b>\$ 99,188</b>	<b>\$ 0</b>	<b>\$ 94,481,917</b>	<b>\$ 236,085,612</b>	<b>\$ 492,048,051</b>

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

Fiduciary Fund Type		Account Groups		Totals - (Memorandum Only)	Discretely Presented Component Units			Totals - (Memorandum Only)
Trust and Agency	College and University	General Fixed Assets	General Long-Term Debt	Primary Government	Governmental Fund Types	Proprietary Fund Types	Fiduciary Fund Types	Reporting Entity
\$ 2,892,966,021	\$ 467,182,908	\$ —	\$ —	\$ 4,276,333,844	\$ 671,743	\$ 173,265,128	\$ 2,999,299	\$ 4,453,270,014
14,786	—	—	—	14,786	—	—	—	14,786
15,425,303,504	176,383,460	—	—	21,420,897,644	785,080	304,748,198	40,059,079,126	61,785,510,048
742,670	40,520,973	—	—	2,203,747,417	—	110,637,913	—	2,314,385,330
84,564,664	43,804	—	—	140,911,499	—	15,854,884	233,871,742	390,638,125
3,861,269	48,329,791	—	—	52,191,060	—	895,488,483	—	947,679,543
34,820,564	—	—	—	1,109,271,362	—	—	—	1,109,271,362
48,246,673	183,804,046	—	—	465,183,547	747,391	71,788,050	180,456,495	718,175,483
515	—	—	—	17,165,948	—	—	—	17,165,948
—	—	—	—	0	—	2,301,031	—	2,301,031
—	—	—	—	980,676	—	—	—	980,676
—	—	—	—	1,984,169	—	—	—	1,984,169
—	27,419,946	—	—	91,257,888	178,990	3,798,947	—	95,235,825
27,252	12,991,212	—	—	62,773,452	149,189	3,643,696	50,093	66,616,430
—	—	—	—	0	—	139,970,653	—	139,970,653
—	—	—	—	0	—	411,128,817	—	411,128,817
—	—	—	—	0	—	5,850,155	—	5,850,155
—	—	—	—	0	—	614,319,550	—	614,319,550
—	—	—	—	6,925	—	—	—	6,925
—	—	—	—	12,700,912	—	—	—	12,700,912
—	5,058,038,763	3,081,380,737	—	8,557,156,163	88,820,882	823,464,442	858,115	9,470,299,602
—	—	—	—	0	—	18,609,856	—	18,609,856
37,540	—	—	—	33,129,765	—	76,273,105	—	109,402,870
—	—	—	212,076,717	212,076,717	—	—	—	212,076,717
—	—	—	4,797,623,414	4,797,623,414	11,645,754	—	—	4,809,269,168
<u>\$ 18,490,585,458</u>	<u>\$ 6,014,714,903</u>	<u>\$ 3,081,380,737</u>	<u>\$ 5,009,700,131</u>	<u>\$ 43,455,407,188</u>	<u>\$ 102,999,029</u>	<u>\$ 3,671,142,908</u>	<u>\$ 40,477,314,870</u>	<u>\$ 87,706,863,995</u>
\$ —	\$ —	\$ —	\$ —	\$ 17,657,757	\$ —	\$ —	\$ —	\$ 17,657,757
7,387,643	269,268,439	—	—	1,329,110,603	4,788,092	84,870,023	2,368,643	1,421,137,361
—	108,029,420	—	219,453,524	336,099,928	957,023	3,104,217	—	340,161,168
—	—	—	697,979	432,415,732	—	—	—	432,415,732
85,201	—	—	—	1,959,422,765	—	2,160,258	—	1,961,583,023
27,707	7,268,253	—	—	678,561,931	483,695	599,887	77,257	679,722,770
—	25,300,000	—	—	613,168,967	—	—	—	613,168,967
1,146,000	1,651,207	—	—	17,165,948	—	—	—	17,165,948
—	—	—	—	0	144,725	835,951	—	980,676
—	—	—	—	2,301,031	—	—	—	2,301,031
—	—	—	—	0	—	3,078,687	—	3,078,687
—	—	—	—	0	94,239	17,816,746	—	17,910,985
—	—	—	—	56,741,145	—	—	—	56,741,145
—	86,088,036	—	—	301,464,201	497,958	39,591,047	—	341,553,206
—	21,667,956	—	7,005,857	37,545,028	10,688,731	485,983	11,392	48,731,134
—	—	—	—	0	—	12,601,840	—	12,601,840
350,777,700	20,637,488	—	—	479,448,576	—	279,558,607	—	759,007,183
—	167,441	—	—	26,770,148	—	12,250,429	—	39,020,577
—	2,701,562	—	—	3,671,540	—	15,192,915	—	18,864,455
6,925	—	—	—	6,925	—	—	—	6,925
—	—	—	—	0	—	12,700,912	—	12,700,912
—	326,274	—	4,782,542,771	4,783,719,045	—	1,533,055,245	—	6,316,774,290
<u>\$ 359,431,176</u>	<u>\$ 543,106,076</u>	<u>\$ 0</u>	<u>\$ 5,009,700,131</u>	<u>\$ 11,075,271,270</u>	<u>\$ 17,654,463</u>	<u>\$ 2,017,902,747</u>	<u>\$ 2,457,292</u>	<u>\$ 13,113,285,772</u>

(continued)

# State of Georgia

## Combined Balance Sheet All Fund Types, Account Groups and Discretely Presented Component Units (continued) June 30, 1999

	Primary Government					
	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Equity and Other Credits:						
Other Credits:						
Investment in General Fixed Assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Equity:						
Net Investment in Plant	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Colleges and Universities	—	—	—	—	—	—
Contributed Capital	—	—	—	—	—	274,766,141
Retained Earnings						
Reserved	—	—	—	—	7,500,000	814,226,933
Unreserved	—	—	—	—	(56,855,793)	34,078,487
Fund Balances						
Reserved for Encumbrances	3,099,338	—	—	—	—	—
Reserved for Advances	60,675	—	—	12,647,162	—	—
Reserved for Inventories	46,664,328	—	—	—	—	—
Reserved for Debt Service	—	—	212,076,717	—	—	—
Reserved for Disaster Assistance	11,448,935	—	—	—	—	—
Reserved for Distance Learning and Telemedicine	18,757,926	—	—	—	—	—
Reserved for Pension Benefits	—	—	—	—	—	—
Reserved for Guaranteed Revenue Debt Common Reserve Fund	17,921,100	—	—	—	—	—
Reserved for Hazardous Waste Trust Fund	19,497,245	—	—	—	—	—
Reserved for Pool Participants	—	—	—	—	—	—
Reserved for Lottery for Education	318,056,709	—	—	—	—	—
Reserved for Midyear Adjustment	126,961,098	—	—	—	—	—
Reserved for Motor Fuel Tax Funds	790,455,844	—	—	—	—	—
Reserved for Revenue Shortfall	380,883,294	—	—	—	—	—
Reserved for Underground Storage Trust Fund	55,227,408	—	—	—	—	—
Reserved for Year 2000 Project	98,439,885	—	—	—	—	—
Reserved for Other Specific Purposes	251,282,884	—	—	1,399,268	—	—
Unreserved, Designated						
Designated for Liability Trust Fund	10,793,647	—	—	—	—	—
Designated for Property Tax Relief	83,000,000	—	—	—	—	—
Designated for Future Capital Outlay	—	—	—	990,700,680	—	—
Designated for Other Specific Purposes	70,000	—	—	—	—	—
Unreserved, Undesignated	1,161,954,577	4,534,424	—	6,343,160	—	—
Total Equity	\$ 3,394,574,893	\$ 4,534,424	\$ 212,076,717	\$ 1,011,090,270	\$ (49,355,793)	\$ 1,123,071,561
Total Equity and Other Credits	\$ 3,394,574,893	\$ 4,534,424	\$ 212,076,717	\$ 1,011,090,270	\$ (49,355,793)	\$ 1,123,071,561
Total Liabilities, Equity and Other Credits	\$ 7,734,894,012	\$ 4,633,612	\$ 212,076,717	\$ 1,105,572,187	\$ 186,729,819	\$ 1,615,119,612

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

Fiduciary Fund Type		Account Groups		Totals - (Memorandum Only)	Discretely Presented Component Units			Totals - (Memorandum Only)
Trust and Agency	College and University	General Fixed Assets	General Long-Term Debt	Primary Government	Governmental Fund Types	Proprietary Fund Types	Fiduciary Fund Types	Reporting Entity
\$ —	\$ —	\$ 3,081,380,737	\$ —	\$ 3,081,380,737	\$ 88,820,882	\$ 295,942	\$ —	\$ 3,170,497,561
\$ —	\$ 5,036,044,533	\$ —	\$ —	\$ 5,036,044,533	\$ —	\$ —	\$ —	\$ 5,036,044,533
—	435,564,294	—	—	435,564,294	—	—	—	435,564,294
—	—	—	—	274,766,141	—	1,045,315,463	—	1,320,081,604
—	—	—	—	821,726,933	—	88,508,579	—	910,235,512
—	—	—	—	(22,777,306)	—	503,519,935	—	480,742,629
—	—	—	—	3,099,338	—	—	—	3,099,338
—	—	—	—	12,707,837	—	—	—	12,707,837
—	—	—	—	46,664,328	—	—	—	46,664,328
—	—	—	—	212,076,717	—	—	—	212,076,717
—	—	—	—	11,448,935	—	—	—	11,448,935
—	—	—	—	18,757,926	—	—	—	18,757,926
12,861,330,461	—	—	—	12,861,330,461	—	—	40,474,857,578	53,336,188,039
—	—	—	—	17,921,100	—	—	—	17,921,100
—	—	—	—	19,497,245	—	—	—	19,497,245
3,210,462,987	—	—	—	3,210,462,987	—	—	—	3,210,462,987
—	—	—	—	318,056,709	—	—	—	318,056,709
—	—	—	—	126,961,098	—	—	—	126,961,098
—	—	—	—	790,455,844	—	—	—	790,455,844
—	—	—	—	380,883,294	—	—	—	380,883,294
—	—	—	—	55,227,408	—	—	—	55,227,408
—	—	—	—	98,439,885	—	—	—	98,439,885
2,030,053,810	—	—	—	2,282,735,962	378,096	13,182,579	—	2,296,296,637
—	—	—	—	10,793,647	—	—	—	10,793,647
—	—	—	—	83,000,000	—	—	—	83,000,000
—	—	—	—	990,700,680	90,000	—	—	990,790,680
—	—	—	—	70,000	—	—	—	70,000
29,307,024	—	—	—	1,202,139,185	(3,944,412)	2,417,663	—	1,200,612,436
\$ 18,131,154,282	\$ 5,471,608,827	\$ 0	\$ 0	\$ 29,298,755,181	\$ (3,476,316)	\$ 1,652,944,219	\$ 40,474,857,578	\$ 71,423,080,662
\$ 18,131,154,282	\$ 5,471,608,827	\$ 3,081,380,737	\$ 0	\$ 32,380,135,918	\$ 85,344,566	\$ 1,653,240,161	\$ 40,474,857,578	\$ 74,593,578,223
\$ 18,490,585,458	\$ 6,014,714,903	\$ 3,081,380,737	\$ 5,009,700,131	\$ 43,455,407,188	\$ 102,999,029	\$ 3,671,142,908	\$ 40,477,314,870	\$ 87,706,863,995

# State of Georgia

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types, Expendable Trust Funds and  
Discretely Presented Component Units  
For the Year Ended June 30, 1999

	Primary Government		
	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 12,021,751,940	\$ —	\$ —
Licenses and Permits	397,962,567	—	—
Intergovernmental			
Federal	5,887,105,616	—	—
Other	36,500,529	—	—
Sales and Services	560,643,597	20,480,185	—
Fines and Forfeits	41,657,448	—	—
Interest and Other Investment Income	217,727,473	432,551	—
Rents and Royalties	16,822,584	—	—
Contributions and Donations	187,061,598	—	—
Penalties and Interest on Taxes	5,991,314	—	—
Unclaimed Property	26,104,874	—	—
Other	6,967,921	—	—
	<u>\$ 19,406,297,461</u>	<u>\$ 20,912,736</u>	<u>\$ 0</u>
Expenditures:			
Current:			
General Government	\$ 740,349,327	\$ 4,144,510	\$ —
Education	6,531,830,567	—	—
Health and Welfare	6,786,022,660	—	—
Transportation	1,638,089,933	—	—
Public Safety	1,333,092,110	—	—
Economic Development and Assistance	347,537,124	—	—
Culture and Recreation	192,199,439	—	—
Conservation	51,118,994	—	—
Capital Outlay	—	—	—
Debt Service:			
Principal	—	—	448,960,000
Interest	—	—	273,874,752
Accrued Interest on Bonds Retired in Advance	—	—	499,606
Discount on Bonds Retired in Advance	—	—	(44,223,171)
Other Debt Service Charges	—	—	621,652
	<u>\$ 17,620,240,154</u>	<u>\$ 4,144,510</u>	<u>\$ 679,732,839</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,786,057,307</u>	<u>\$ 16,768,226</u>	<u>\$ (679,732,839)</u>

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

Capital Projects	Fiduciary Fund Type	Totals - (Memorandum Only)	Component Units	Totals - (Memorandum Only)
	Expendable Trust	Primary Government	Governmental Fund Type	Reporting Entity
\$ —	\$ 218,942,856	\$ 12,240,694,796	\$ —	\$ 12,240,694,796
—	—	397,962,567	—	397,962,567
—	16,529,498	5,903,635,114	—	5,903,635,114
—	—	36,500,529	—	36,500,529
—	121,422	581,245,204	3,428,339	584,673,543
—	—	41,657,448	—	41,657,448
82,539,650	132,614,451	433,314,125	51,404	433,365,529
49,423	—	16,872,007	106,217	16,978,224
—	—	187,061,598	9,891,064	196,952,662
—	—	5,991,314	—	5,991,314
—	—	26,104,874	—	26,104,874
241,401	607,593	7,816,915	—	7,816,915
<u>\$ 82,830,474</u>	<u>\$ 368,815,820</u>	<u>\$ 19,878,856,491</u>	<u>\$ 13,477,024</u>	<u>\$ 19,892,333,515</u>
\$ 36,250	\$ —	\$ 744,530,087	\$ —	\$ 744,530,087
—	120,836	6,531,951,403	—	6,531,951,403
—	72,166,259	6,858,188,919	—	6,858,188,919
—	—	1,638,089,933	—	1,638,089,933
—	—	1,333,092,110	—	1,333,092,110
—	284,493,930	632,031,054	—	632,031,054
—	—	192,199,439	31,998,361	224,197,800
—	—	51,118,994	—	51,118,994
392,319,581	—	392,319,581	—	392,319,581
49,423	—	449,009,423	—	449,009,423
155,898	—	274,030,650	—	274,030,650
—	—	499,606	—	499,606
—	—	(44,223,171)	—	(44,223,171)
2,035,473	—	2,657,125	—	2,657,125
<u>\$ 394,596,625</u>	<u>\$ 356,781,025</u>	<u>\$ 19,055,495,153</u>	<u>\$ 31,998,361</u>	<u>\$ 19,087,493,514</u>
<u>\$ (311,766,151)</u>	<u>\$ 12,034,795</u>	<u>\$ 823,361,338</u>	<u>\$ (18,521,337)</u>	<u>\$ 804,840,001</u>

(continued)

# State of Georgia

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types, Expendable Trust Funds and  
Discretely Presented Component Units (continued)  
For the Year Ended June 30, 1999

	Primary Government		
	Governmental Fund Types		
	General	Special Revenue	Debt Service
Other Financing Sources (Uses):			
Operating Transfers In	\$ 219,950,173	\$ —	\$ 657,972,884
Operating Transfers from Primary Government	—	—	—
Operating Transfers from Component Units	647,234,426	—	—
Operating Transfers Out	(2,295,427,596)	(16,500,000)	—
Operating Transfers to Component Units	(51,484,717)	—	—
Proceeds of General Fixed Asset Dispositions	764,395	—	—
Capital Leases	12,675	—	—
General Obligation Bond Proceeds	—	—	—
Proceeds of Refunding Bonds	—	—	150,022,153
Payment to Refunded Bond Escrow Agent	—	—	(149,400,502)
	<u>\$ (1,478,950,644)</u>	<u>\$ (16,500,000)</u>	<u>\$ 658,594,535</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 307,106,663	\$ 268,226	\$ (21,138,304)
Fund Balances, July 1	3,071,938,914	4,266,198	233,215,021
Residual Equity Transfers from Component Units	13,877,077	—	—
Residual Equity Transfers Out	—	—	—
Residual Equity Transfers to Component Units	(850,611)	—	—
Transfer of Equity from Component Units	633,268	—	—
Increase in Inventories	1,869,582	—	—
	<u>\$ 3,394,574,893</u>	<u>\$ 4,534,424</u>	<u>\$ 212,076,717</u>
Fund Balances, June 30	<u>\$ 3,394,574,893</u>	<u>\$ 4,534,424</u>	<u>\$ 212,076,717</u>

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

	Fiduciary Fund Type	Totals - (Memorandum Only)	Component Units	Totals - (Memorandum Only)
Capital Projects	Expendable Trust	Primary Government	Governmental Fund Type	Reporting Entity
\$ —	\$ 3,281,250	\$ 881,204,307	\$ —	\$ 881,204,307
—	—	0	18,766,640	18,766,640
—	—	647,234,426	—	647,234,426
(280,866,607)	—	(2,592,794,203)	—	(2,592,794,203)
—	—	(51,484,717)	—	(51,484,717)
2,900,000	—	3,664,395	—	3,664,395
—	—	12,675	17,330	30,005
720,607,460	—	720,607,460	—	720,607,460
—	—	150,022,153	—	150,022,153
—	—	(149,400,502)	—	(149,400,502)
<u>\$ 442,640,853</u>	<u>\$ 3,281,250</u>	<u>\$ (390,934,006)</u>	<u>\$ 18,783,970</u>	<u>\$ (372,150,036)</u>
\$ 130,874,702	\$ 15,316,045	\$ 432,427,332	\$ 262,633	\$ 432,689,965
912,156,139	2,043,819,407	6,265,395,679	(3,738,949)	6,261,656,730
516,575	—	14,393,652	—	14,393,652
(175,983)	—	(175,983)	—	(175,983)
(32,281,163)	—	(33,131,774)	—	(33,131,774)
—	—	633,268	—	633,268
—	—	1,869,582	—	1,869,582
<u>\$ 1,011,090,270</u>	<u>\$ 2,059,135,452</u>	<u>\$ 6,681,411,756</u>	<u>\$ (3,476,316)</u>	<u>\$ 6,677,935,440</u>

# State of Georgia

## Statement of Funds Available and Expenditures Compared to Budget Budget Fund For the Fiscal Year Ended June 30, 1998

	Original Appropriation	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Funds Available</b>				
Revenues:				
State Appropriation	\$ 11,998,603,880	\$ 12,672,750,172	\$ 12,668,519,468	\$ (4,230,704)
Lottery Proceeds	526,700,000	593,433,340	591,983,340	(1,450,000)
Federal Revenues	4,729,955,956	5,908,184,582	5,486,157,759	(422,026,823)
Other Revenues Retained	3,157,328,090	5,024,713,115	4,403,298,696	(621,414,419)
Total Revenues	\$ 20,412,587,926	\$ 24,199,081,209	\$ 23,149,959,263	\$ (1,049,121,946)
Carry-Over from Prior Year:				
Transfer from Fund Balance	—	2,027,338,871	1,510,179,417	(517,159,454)
Total Funds Available	\$ 20,412,587,926	\$ 26,226,420,080	\$ 24,660,138,680	\$ (1,566,281,400)
<b>Expenditures</b>				
Administrative Services, Department of	\$ 174,311,537	\$ 342,023,344	\$ 303,954,207	\$ 38,069,137
Agricultural Exposition Authority	5,892,155	6,635,677	6,635,906	(229)
Agriculture, Department of	50,274,692	61,977,060	56,684,085	5,292,975
Agrirama Development Authority	1,567,745	1,649,309	1,309,002	340,307
Audits and Accounts, Department of	23,148,583	24,756,063	23,725,147	1,030,916
Banking and Finance, Department of	9,846,715	9,864,435	9,709,234	155,201
Building Authority	38,640,591	44,406,256	42,322,432	2,083,824
Community Affairs, Department of	62,787,779	188,707,804	186,064,698	2,643,106
Corrections, Department of	768,030,469	834,810,608	818,498,685	16,311,923
Defense, Department of	21,956,332	27,508,433	24,667,151	2,841,282
Education, Department of	5,474,737,381	6,022,915,540	5,910,609,202	112,306,338
Employees' Retirement System -				
Administrative Expense Fund	5,256,499	10,141,475	9,884,191	257,284
Forestry Commission	40,649,878	47,456,981	46,355,671	1,101,310
General Assembly	27,801,978	30,546,669	24,153,344	6,393,325
General Obligation Debt Sinking Fund	412,050,710	562,616,689	562,616,689	0
Governor, Office of the	48,074,098	361,883,219	245,001,750	116,881,469
Guaranteed Revenue Debt Common Reserve Fund	0	0	0	0
Human Resources, Department of	2,417,340,849	2,695,740,766	2,587,282,797	108,457,969
Industry, Trade and Tourism, Department of	23,006,380	36,480,439	25,448,565	11,031,874
Insurance, Department of	17,241,858	18,160,447	17,810,333	350,114
Investigation, Georgia Bureau of	51,299,927	73,836,740	72,279,866	1,556,874
Judicial Branch	102,001,900	106,318,361	109,002,169	(2,683,808)
Juvenile Justice, Department of	222,244,354	234,071,625	225,526,345	8,545,280
Labor, Department of	153,334,941	225,296,328	175,017,330	50,278,998
Law, Department of	31,690,201	37,016,611	35,964,003	1,052,608
Medical Assistance, Department of	3,848,556,617	4,348,339,526	3,844,201,855	504,137,671
Natural Resources, Department of	134,731,938	219,829,643	211,431,097	8,398,546
Pardons and Paroles, State Board of	46,794,963	48,287,161	47,890,920	396,241
Personnel Board, State - Merit System of				
Personnel Administration	1,253,474,383	1,363,517,646	1,224,864,732	138,652,914
Public Safety, Department of	124,582,210	138,492,493	133,950,581	4,541,912
Public School Employees' Retirement System-Expense Fund	17,642,000	17,642,000	17,642,000	0
Public Service Commission	11,403,969	13,951,618	12,987,099	964,519
Public Telecommunications Commission	29,477,361	35,502,001	35,264,617	237,384
Regents of the University System of Georgia, Board of	2,767,167,445	3,842,375,632	3,633,845,228	208,530,404

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

# State of Georgia

## Statement of Funds Available and Expenditures Compared to Budget Budget Fund For the Fiscal Year Ended June 30, 1998

	Original Appropriation	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue, Department of	\$ 101,526,968	\$ 176,814,396	\$ 152,134,714	\$ 24,679,682
Secretary of State	32,526,981	35,212,659	33,835,619	1,377,040
Soil and Water Conservation Commission	2,385,717	2,663,179	2,626,592	36,587
Student Finance Commission	251,026,535	248,658,622	223,500,545	25,158,077
Teachers' Retirement System - Expense Fund	11,501,170	13,339,001	12,225,778	1,113,223
Technical and Adult Education, Department of	342,014,134	467,512,478	403,929,900	63,582,578
Transportation, Department of	1,214,776,428	3,208,113,964	1,677,945,517	1,530,168,447
Veterans Service, Department of	28,117,135	29,431,122	28,784,898	646,224
Workers' Compensation, State Board of	11,694,420	11,916,060	11,724,635	191,425
 Total Expenditures	 \$ 20,412,587,926	 \$ 26,226,420,080	 \$ 23,229,309,129	 \$ 2,997,110,951
 Excess of Funds Available over Expenditures:			 \$ 1,430,829,551	 \$ 1,430,829,551

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

# State of Georgia

Combined Statement of Revenues, Expenses and  
Changes in Fund Equity/Fund Balances  
All Proprietary Fund Types, Nonexpendable Trust Funds and  
Discretely Presented Component Units  
For the Fiscal Year Ended June 30, 1999

	Primary	
	Proprietary Fund Types	
	Enterprise	Internal Service
Operating Revenues:		
Contributions	\$ 1,106,814,868	\$ 122,400,893
Insurance Recoveries	—	9,102,782
Interest and Other Investment Income	11,565,944	97,215,751
Intergovernmental	—	—
Rents and Royalties	—	30,481,660
Sales and Services	3,811	311,881,726
Taxes	—	—
Other	—	1,613,159
	\$ 1,118,384,623	\$ 572,695,971
Operating Expenses:		
General and Administrative	\$ 276,923,642	\$ 165,597,954
Goods and Services	—	184,288,317
Interest	—	—
Benefits	993,414,951	15,357,000
Claims and Judgments	—	158,694,809
Prizes	—	—
Scholarships	—	—
Depreciation	—	1,310,915
Other	—	—
	\$ 1,270,338,593	\$ 525,248,995
Operating Income (Loss)	\$ (151,953,970)	\$ 47,446,976
Nonoperating Revenues (Expenses):		
Contributions and Intergovernmental Revenue	\$ —	\$ —
Interest and Other Investment Income	—	893,734
Gain on Sale of Loans	—	—
Hotel/Motel Tax (Net)	—	—
Interest Expense	—	(47,934)
Other Debt Service Charges	—	—
Other	(11,073)	(30,332,038)
	\$ (11,073)	\$ (29,486,238)

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

<u>Government</u>		Totals - (Memorandum Only)	Component Units	Totals - (Memorandum Only)
Fiduciary Fund Type		Primary Government	Proprietary Fund Types	Reporting Entity
Nonexpendable Trust				
\$	—	\$ 1,229,215,761	\$ 50,170	\$ 1,229,265,931
	—	9,102,782	—	9,102,782
	11,955	108,793,650	78,291,922	187,085,572
	—	0	25,644,011	25,644,011
	—	30,481,660	56,966,844	87,448,504
	—	311,885,537	2,126,692,948	2,438,578,485
	—	0	1,650,694	1,650,694
	—	1,613,159	22,397,677	24,010,836
	<u>11,955</u>	<u>1,691,092,549</u>	<u>2,311,694,266</u>	<u>4,002,786,815</u>
\$	—	\$ 442,521,596	\$ 132,492,416	\$ 575,014,012
	—	184,288,317	345,223,864	529,512,181
	—	0	49,377,470	49,377,470
	—	1,008,771,951	—	1,008,771,951
	—	158,694,809	—	158,694,809
	—	0	1,059,585,000	1,059,585,000
	2,495	2,495	—	2,495
	—	1,310,915	33,850,952	35,161,867
	<u>5,174</u>	<u>5,174</u>	<u>47,817,629</u>	<u>47,822,803</u>
\$	<u>7,669</u>	<u>1,795,595,257</u>	<u>1,668,347,331</u>	<u>3,463,942,588</u>
\$	<u>4,286</u>	<u>(104,502,708)</u>	<u>643,346,935</u>	<u>538,844,227</u>
\$	—	\$ 0	\$ 1,275,905	\$ 1,275,905
	—	893,734	25,397,875	26,291,609
	—	0	970,920	970,920
	—	0	22,533,763	22,533,763
	—	(47,934)	(38,995,211)	(39,043,145)
	—	0	(2,065,318)	(2,065,318)
	—	(30,343,111)	515,037	(29,828,074)
\$	<u>0</u>	<u>(29,497,311)</u>	<u>9,632,971</u>	<u>(19,864,340)</u>

(continued)

# State of Georgia

Combined Statement of Revenues, Expenses and  
Changes in Fund Equity/Fund Balances  
All Proprietary Fund Types, Nonexpendable Trust Funds and  
Discretely Presented Component Units (continued)  
For the Fiscal Year Ended June 30, 1999

	Primary	
	Proprietary Fund Types	
	Enterprise	Internal Service
Net Income (Loss) Before Operating Transfers	\$ (151,965,043)	\$ 17,960,738
Operating Transfers:		
Transfers In	\$ 32,500,000	\$ 66,426,569
Transfers from Primary Government	—	—
Transfers Out	—	(19,173,717)
Transfers to Primary Government	—	—
Net Operating Transfers	\$ 32,500,000	\$ 47,252,852
Net Income (Loss)	\$ (119,465,043)	\$ 65,213,590
Deficiency of Revenues under Expenditures from Governmental Operations and Expendable Trust Funds	—	—
Fund Equity/Fund Balances, July 1	70,109,250	1,057,731,238
Adjustments (Net)	—	—
Contributed Capital	—	175,983
Contributed Capital from Primary Government	—	—
Contributed Capital from Federal Government	—	—
Contributed Capital from Other Sources	—	—
Transfer of Contributed Capital to Primary Government	—	—
Transfer of Equity to Primary Government	—	—
Increase (Decrease) in Inventories	—	(49,250)
Fund Equity/Fund Balances, June 30	\$ (49,355,793)	\$ 1,123,071,561

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

<u>Government</u> Fiduciary Fund Type <u>Nonexpendable Trust</u>	Totals - (Memorandum Only) <u>Primary Government</u>	Component Units <u>Proprietary Fund Types</u>	Totals - (Memorandum Only) <u>Reporting Entity</u>
\$ 4,286	\$ (134,000,019)	\$ 652,979,906	\$ 518,979,887
\$ —	\$ 98,926,569	\$ —	\$ 98,926,569
—	0	47,834,717	47,834,717
—	(19,173,717)	—	(19,173,717)
—	0	(646,905,000)	(646,905,000)
\$ 0	\$ 79,752,852	\$ (599,070,283)	\$ (519,317,431)
\$ 4,286	\$ (54,247,167)	\$ 53,909,623	\$ (337,544)
—	0	(1,843,763)	(1,843,763)
221,096	1,128,061,584	1,568,044,912	2,696,106,496
—	0	(2,406,603)	(2,406,603)
—	175,983	—	175,983
—	0	33,131,774	33,131,774
—	0	35,476,425	35,476,425
—	0	23,800	23,800
—	0	(32,903,352)	(32,903,352)
—	0	(633,268)	(633,268)
—	(49,250)	144,671	95,421
<u>\$ 225,382</u>	<u>\$ 1,073,941,150</u>	<u>\$ 1,652,944,219</u>	<u>\$ 2,726,885,369</u>

# State of Georgia

## Combined Statement of Cash Flows All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely Presented Component Units For the Fiscal Year Ended June 30, 1999

	Primary Government			Totals - (Memorandum Only)	Component Units	Totals - (Memorandum Only)			
	Proprietary Fund Types		Fiduciary Fund Type				Primary Government	Proprietary Fund Types	Reporting Entity
	Enterprise	Internal Service	Nonexpendable Trust						
<b>Cash Flows from Operating Activities:</b>									
Cash Received from Customers	\$ 3,811	\$ 346,232,366	\$ —	\$ 346,236,177	\$ 2,260,385,237	\$ 2,606,621,414			
Cash Received from Required Contributions	1,117,071,441	123,046,468	—	1,240,117,909	—	1,240,117,909			
Cash Received from Insurance Proceeds	—	9,102,782	—	9,102,782	—	9,102,782			
Cash Received from Lease Agreements	—	—	—	0	12,604,654	12,604,654			
Principal Payments Received on Program Loans	—	—	—	0	111,432,151	111,432,151			
Interest Received on Program Loans	—	—	—	0	76,151,683	76,151,683			
Cash Paid to Vendors	(273,530,177)	(262,219,804)	(5,174)	(535,755,155)	(470,535,647)	(1,006,290,802)			
Cash Paid to Employees	(2,811,523)	(87,270,378)	—	(90,081,901)	(101,112,270)	(191,194,171)			
Cash Paid for Benefits	(934,652,490)	(15,357,000)	—	(950,009,490)	—	(950,009,490)			
Cash Paid for Claims and Judgments	—	(84,270,758)	—	(84,270,758)	—	(84,270,758)			
Cash Paid for Lottery Prizes	—	—	—	0	(1,076,140,000)	(1,076,140,000)			
Cash Paid for Scholarships	—	—	(2,495)	(2,495)	—	(2,495)			
Origination of Program Loans	—	—	—	0	(165,582,534)	(165,582,534)			
Governmental and Fiduciary Fund Type Activity (Net)	—	—	—	0	1,243,912	1,243,912			
Other Operating Items (Net)	—	—	—	0	868,110	868,110			
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (93,918,938)</b>	<b>\$ 29,263,676</b>	<b>\$ (7,669)</b>	<b>\$ (64,662,931)</b>	<b>\$ 649,315,296</b>	<b>\$ 584,652,365</b>			
<b>Cash Flows from Noncapital Financing Activities:</b>									
Operating Transfers In	\$ 32,500,000	\$ 66,426,569	\$ —	\$ 98,926,569	\$ —	\$ 98,926,569			
Operating Transfers from Primary Government	—	—	—	0	47,834,717	47,834,717			
Proceeds from Assignment of Program Loans Under Repurchase Agreements	—	—	—	0	333,935	333,935			
Issuance of Bonds/Loans/Notes	—	—	—	0	150,223,731	150,223,731			
Contributed Capital	—	—	—	0	58,591,332	58,591,332			
Hotel/Motel Tax (Net)	—	—	—	0	6,621,407	6,621,407			
Operating Transfers Out	—	(19,173,717)	—	(19,173,717)	—	(19,173,717)			
Operating Transfers to Primary Government	—	—	—	0	(646,905,000)	(646,905,000)			
Principal Paid on Bonds/Loans/Notes	—	—	—	0	(156,095,154)	(156,095,154)			
Interest Paid on Bonds/Loans/Notes	—	—	—	0	(51,676,631)	(51,676,631)			
Return of Contributed Capital	—	—	—	0	(16,711,044)	(16,711,044)			
Other Debt Service Payments	—	—	—	0	(2,436,014)	(2,436,014)			
Other Noncapital Items (Net)	—	990,757	—	990,757	3,715,265	4,706,022			
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>\$ 32,500,000</b>	<b>\$ 48,243,609</b>	<b>\$ 0</b>	<b>\$ 80,743,609</b>	<b>\$ (606,503,456)</b>	<b>\$ (525,759,847)</b>			
<b>Cash Flows from Capital and Related Financing Activities:</b>									
Issuance of Bonds/Loans/Notes	\$ —	\$ —	\$ —	\$ 0	\$ 3,000,000	\$ 3,000,000			
Hotel/Motel Tax Received	—	—	—	0	15,521,237	15,521,237			
Contributed Capital	—	175,983	—	175,983	9,967,106	10,143,089			
Sale of Capital Assets	—	—	—	0	200,000	200,000			
Acquisition and Construction of Capital Assets	(57,441)	(40,325,223)	—	(40,382,664)	(45,385,782)	(85,768,446)			
Principal Paid on Bonds/Loans/Notes	—	(242,857)	—	(242,857)	(10,766,000)	(11,008,857)			
Interest Paid on Bonds/Loans/Notes	—	(47,934)	—	(47,934)	(25,165,757)	(25,213,691)			
Other Debt Service Payments	—	—	—	0	(28,091)	(28,091)			
Other Capital and Related Items (Net)	—	—	—	0	3,975,000	3,975,000			
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>\$ (57,441)</b>	<b>\$ (40,440,031)</b>	<b>\$ 0</b>	<b>\$ (40,497,472)</b>	<b>\$ (48,682,287)</b>	<b>\$ (89,179,759)</b>			
<b>Cash Flows from Investing Activities:</b>									
Purchase of Investments (Net)	\$ 73,005,845	\$ (30,417,290)	\$ (168,780)	\$ 42,419,775	\$ 36,599,220	\$ 79,018,995			
Interest on Investments	13,012,709	42,479,139	5,537	55,497,385	41,898,552	97,395,937			
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>\$ 86,018,554</b>	<b>\$ 12,061,849</b>	<b>\$ (163,243)</b>	<b>\$ 97,917,160</b>	<b>\$ 78,497,772</b>	<b>\$ 176,414,932</b>			
<b>Net Increase in Cash and Cash Equivalents</b>	<b>\$ 24,542,175</b>	<b>\$ 49,129,103</b>	<b>\$ (170,912)</b>	<b>\$ 73,500,366</b>	<b>\$ 72,627,325</b>	<b>\$ 146,127,691</b>			
Cash and Cash Equivalents, July 1	4,149,166	7,283,687	185,698	11,618,551	240,608,456	252,227,007			
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ 28,691,341</b>	<b>\$ 56,412,790</b>	<b>\$ 14,786</b>	<b>\$ 85,118,917</b>	<b>\$ 313,235,781</b>	<b>\$ 398,354,698</b>			

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

# State of Georgia

## Combined Statement of Cash Flows All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely Presented Component Units For the Fiscal Year Ended June 30, 1999

	Primary Government			Totals - (Memorandum Only)	Component Units	Totals - (Memorandum Only)			
	Proprietary Fund Types		Fiduciary Fund Type				Primary Government	Proprietary Fund Types	Reporting Entity
	Enterprise	Internal Service	Nonexpendable Trust						
Operating Income (Loss)	\$ (151,953,970)	\$ 47,446,976	\$ 4,286	\$ (104,502,708)	\$ 643,346,935	\$ 538,844,227			
Adjustments to Reconcile Operating Income to									
Net Cash Provided by (Used in) Operating Activities:									
Depreciation/Amortization	\$ —	\$ 1,310,915	\$ —	\$ 1,310,915	\$ 34,161,967	\$ 35,472,882			
Interest	(11,565,944)	(97,215,751)	(11,955)	(108,793,650)	49,377,470	(59,416,180)			
Other	—	—	—	0	(17,755,886)	(17,755,886)			
Changes in Assets and Liabilities:									
Increase in Intergovernmental Receivables	—	—	—	0	(1,185,661)	(1,185,661)			
Increase in Interest and Dividends Receivable	—	—	—	0	(248,485)	(248,485)			
Increase in Notes and Loans Receivable	—	—	—	0	(54,099,312)	(54,099,312)			
Decrease (Increase) in Other Receivables	9,279,773	3,196,035	—	12,475,808	(9,109,404)	3,366,404			
Decrease in Due from Other Funds	—	724,626	—	724,626	—	724,626			
Increase in Due from Primary Government	—	—	—	0	(384,320)	(384,320)			
Decrease in Due from Component Units	—	150,480	—	150,480	—	150,480			
Increase in Inventories	—	(2,333,242)	—	(2,333,242)	(127,083)	(2,460,325)			
Increase in Prepaid Items	—	(61,989)	—	(61,989)	(859,967)	(921,956)			
Increase in Other Assets	—	—	—	0	(889,409)	(889,409)			
Increase in Accounts Payable and Other Accruals	767,136	5,449,211	—	6,216,347	1,882,957	8,099,304			
Increase (Decrease) in Compensated Absences Payable	(142,756)	558,802	—	416,046	85,632	501,678			
Increase in Claims and Judgments Payable	—	74,424,051	—	74,424,051	—	74,424,051			
Increase (Decrease) in Contracts Payable	(42,438)	(3,793,932)	—	(3,836,370)	34,844	(3,801,526)			
Increase (Decrease) in Salaries/Withholdings Payable	—	(26,757)	—	(26,757)	12,016	(14,741)			
Increase in Benefits Payable	58,762,461	—	—	58,762,461	—	58,762,461			
Increase in Due to Other Funds	—	302,250	—	302,250	—	302,250			
Increase in Due to Primary Government	—	—	—	0	88,828	88,828			
Decrease in Due to Component Units	—	(138)	—	(138)	—	(138)			
Increase (Decrease) in Deferred Revenue	976,800	(73,701)	—	903,099	(1,070,739)	(167,640)			
Decrease in Other Liabilities	—	—	—	0	(654,937)	(654,937)			
Increase (Decrease) in Deposits and Overpayments	—	(794,160)	—	(794,160)	541,850	(252,310)			
Increase in Grand Prizes Payable	—	—	—	0	6,168,000	6,168,000			
Total Adjustments	\$ 58,035,032	\$ (18,183,300)	\$ (11,955)	\$ 39,839,777	\$ 5,968,361	\$ 45,808,138			
Net Cash Provided by (Used in) Operating Activities	\$ (93,918,938)	\$ 29,263,676	\$ (7,669)	\$ (64,662,931)	\$ 649,315,296	\$ 584,652,365			
Noncash Investing, Capital, and Financing Activities:									
Acquisition of Fixed Assets through Capital Leases	\$ —	\$ 2,460,250	\$ —	\$ 2,460,250	\$ —	\$ 2,460,250			
Disposal of Fixed Assets	(11,073)	(31,322,795)	—	(31,333,868)	(818,191)	(32,152,059)			
Donation of Fixed Assets	—	—	—	0	2,188,930	2,188,930			
Interest Earned on Grand Prize Investments and Grand Prizes Payable	—	—	—	0	22,235,000	22,235,000			
Gain on Privatization Agreement	—	—	—	0	952,697	952,697			
	\$ (11,073)	\$ (28,862,545)	\$ 0	\$ (28,873,618)	\$ 24,558,436	\$ (4,315,182)			

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

# State of Georgia

## Statements of Plan Net Assets Pension Trust Funds, Investment Trust Fund and Discretely Presented Component Units June 30, 1999

	Primary Government								
	Defined Contribution Plan	District Attorneys Retirement Fund	District Attorneys Retirement System	Employees' Retirement System	Georgia Judicial Retirement System	Legislative Retirement System	Superior Court Judges Retirement Fund	Superior Court Judges Retirement System	Trial Judges and Solicitors Retirement Fund
<b>Assets</b>									
Cash and Cash Equivalents	\$ 137,000	\$ 1,000	\$ —	\$ 3,275,696	\$ 41,087	\$ 75,338	\$ 47,000	\$ —	\$ —
Investments	30,173,000	—	—	12,483,929,204	225,765,329	29,319,662	1,720,000	—	—
Receivables (Net of Allowances for Uncollectibles)									
Interest and Dividends	206,000	—	—	84,352,000	—	—	—	—	—
Other	994,000	—	—	5,845,232	298,584	—	1,000	—	—
Due from Other Funds	—	—	—	515	—	—	—	—	—
Prepaid Items	—	—	—	18,261	—	—	—	—	—
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)	—	—	—	—	—	—	—	—	—
<b>Total Assets</b>	<b>\$ 31,510,000</b>	<b>\$ 1,000</b>	<b>\$ 0</b>	<b>\$ 12,577,420,908</b>	<b>\$ 226,105,000</b>	<b>\$ 29,395,000</b>	<b>\$ 1,768,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Liabilities</b>									
Accounts Payable and Other Accruals	\$ —	\$ 1,000	\$ —	\$ 3,654,740	\$ 21,000	\$ 11,000	\$ 8,000	\$ —	\$ —
Salaries/Withholdings Payable	—	—	—	27,707	—	—	—	—	—
Due to Other Funds	—	—	—	1,120,000	—	26,000	—	—	—
Capital Leases Payable	—	—	—	—	—	—	—	—	—
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 1,000</b>	<b>\$ 0</b>	<b>\$ 4,802,447</b>	<b>\$ 21,000</b>	<b>\$ 37,000</b>	<b>\$ 8,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Fund Balances Reserved for Pension Benefits and Pool Participants</b>	<b>\$ 31,510,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,572,618,461</b>	<b>\$ 226,084,000</b>	<b>\$ 29,358,000</b>	<b>\$ 1,760,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Schedules of funding progress are presented on pages 87 and 89)

Component Units - Fiduciary Fund Type

Investment Trust Fund	Total Primary Government	Firefighters' Pension Fund	Judges of the Probate Courts Retirement Fund	Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Sheriffs' Retirement Fund	Superior Court Clerks' Retirement Fund	Teachers' Retirement System	Total Component Units
\$ 800,840,617	\$ 804,417,738	\$ 5,280	\$ 6,587	\$ 1,394,281	\$ 215,000	\$ 20,858	\$ 86,483	\$ 1,270,810	\$ 2,999,299
2,409,622,370	15,180,529,565	349,286,020	38,307,433	277,213,080	770,366,000	44,546,835	38,299,758	38,541,060,000	40,059,079,126
—	84,558,000	2,634,273	328,310	1,768,071	—	377,088	—	228,764,000	233,871,742
—	7,138,816	—	—	—	3,000	—	—	180,453,495	180,456,495
—	515	—	—	—	—	—	—	—	0
—	18,261	—	—	—	—	—	—	50,093	50,093
—	0	323,226	606	493,924	—	20,620	19,739	—	858,115
\$ 3,210,462,987	\$ 16,076,662,895	\$ 352,248,799	\$ 38,642,936	\$ 280,869,356	\$ 770,584,000	\$ 44,965,401	\$ 38,405,980	\$ 38,951,598,398	\$ 40,477,314,870
\$ —	\$ 3,695,740	\$ —	\$ —	\$ —	\$ 304,000	\$ —	\$ 35,625	\$ 2,029,018	\$ 2,368,643
—	27,707	—	85	885	—	—	—	76,287	77,257
—	1,146,000	—	—	—	—	—	—	—	0
—	0	—	—	11,392	—	—	—	—	11,392
\$ 0	\$ 4,869,447	\$ 0	\$ 85	\$ 12,277	\$ 304,000	\$ 0	\$ 35,625	\$ 2,105,305	\$ 2,457,292
\$ 3,210,462,987	\$ 16,071,793,448	\$ 352,248,799	\$ 38,642,851	\$ 280,857,079	\$ 770,280,000	\$ 44,965,401	\$ 38,370,355	\$ 38,949,493,093	\$ 40,474,857,578

# State of Georgia

## Statements of Changes in Plan Net Assets Pension Trust Funds, Investment Trust Fund and Discretely Presented Component Units For the Fiscal Year Ended June 30, 1999

	Primary Government							
	Defined Contribution Plan	District Attorneys Retirement Fund	District Attorneys Retirement System	Employees' Retirement System	Georgia Judicial Retirement System	Legislative Retirement System	Superior Court Judges Retirement Fund	Superior Court Judges Retirement System
Additions:								
Contributions								
Employer and Employee	\$ 10,420,000	\$ 161,000	\$ —	\$ 359,405,575	\$ 5,134,000	\$ 290,000	\$ 1,852,000	\$ —
Fines and Forfeits								
Fines and Bond Forfeitures	—	—	—	—	—	—	—	—
Interest and Other Investment Income								
Dividends and Interest	1,115,444	—	—	395,337,580	7,225,918	1,155,596	54,149	—
Net Appreciation in Fair Value of Investments	1,058,272	—	—	876,286,040	16,021,684	2,562,248	120,062	—
Less: Investment Expense	(10,716)	—	—	(9,196,620)	(161,602)	(25,844)	(1,211)	—
Net Gain on Disposal of Investment Securities	—	—	—	—	—	—	—	—
Pool Participant Deposits	—	—	—	—	—	—	—	—
Sales and Services								
Civil Cases	—	—	—	—	—	—	—	—
Marriage License Fees	—	—	—	—	—	—	—	—
Real Estate Recording Fees	—	—	—	—	—	—	—	—
Taxes								
Insurance Companies	—	—	—	—	—	—	—	—
Other								
Miscellaneous	—	—	—	—	—	—	—	—
<b>Total Additions</b>	<b>\$ 12,583,000</b>	<b>\$ 161,000</b>	<b>\$ 0</b>	<b>\$ 1,621,832,575</b>	<b>\$ 28,220,000</b>	<b>\$ 3,982,000</b>	<b>\$ 2,025,000</b>	<b>\$ 0</b>
Deductions:								
General and Administrative Expenses	\$ 245,000	\$ —	\$ —	\$ 8,079,645	\$ —	\$ —	\$ —	\$ —
Benefits	—	161,000	—	398,391,000	3,951,000	1,023,000	1,837,000	—
Pool Participant Withdrawals	—	—	—	—	—	—	—	—
Refunds	7,993,000	—	—	8,810,000	65,000	32,000	—	—
<b>Total Deductions</b>	<b>\$ 8,238,000</b>	<b>\$ 161,000</b>	<b>\$ 0</b>	<b>\$ 415,280,645</b>	<b>\$ 4,016,000</b>	<b>\$ 1,055,000</b>	<b>\$ 1,837,000</b>	<b>\$ 0</b>
<b>Net Increase Before Operating Transfers</b>	<b>\$ 4,345,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,206,551,930</b>	<b>\$ 24,204,000</b>	<b>\$ 2,927,000</b>	<b>\$ 188,000</b>	<b>\$ 0</b>
Operating Transfers:								
Transfers In	\$ —	\$ —	\$ —	\$ 673,425	\$ —	\$ —	\$ —	\$ —
Transfers from Primary Government	—	—	—	—	—	—	—	—
Transfers to Primary Government	—	—	—	—	—	—	—	—
<b>Net Operating Transfers</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 673,425</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Increase</b>	<b>\$ 4,345,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,207,225,355</b>	<b>\$ 24,204,000</b>	<b>\$ 2,927,000</b>	<b>\$ 188,000</b>	<b>\$ 0</b>
Fund Balances Reserved for Pension Benefits and Pool Participants, July 1	27,165,000	0	31,059,000	11,365,393,106	0	26,431,000	1,572,000	114,690,000
Transfer of Equity	—	—	(31,059,000)	—	201,880,000	—	—	(114,690,000)
<b>Fund Balances Reserved for Pension Benefits and Pool Participants, June 30</b>	<b>\$ 31,510,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,572,618,461</b>	<b>\$ 226,084,000</b>	<b>\$ 29,358,000</b>	<b>\$ 1,760,000</b>	<b>\$ 0</b>

Component Units - Fiduciary Fund Types

Trial Judges and Solicitors Retirement Fund		Investment Trust Fund	Total Primary Government	Firefighters' Pension Fund	Judges of the Probate Courts Retirement Fund	Peace Officers' Annuity and Benefit Fund	Public School Employees Retirement System	Sheriffs' Retirement Fund	Superior Court Clerks' Retirement Fund	Teachers' Retirement System	Total Component Units
\$	—	\$ —	\$ 377,262,575	\$ 1,620,477	\$ 189,250	\$ 1,201,471	\$ 18,822,000	\$ 69,390	\$ 78,112	\$ 1,103,374,426	\$ 1,125,355,126
	—	—	0	—	467,426	13,119,175	—	2,124,778	668,310	—	16,379,689
	—	160,099,235	564,987,922	14,042,223	1,866,978	12,065,925	24,147,637	1,741,672	3,694,784	1,217,663,000	1,275,222,219
	—	—	896,048,306	—	—	—	53,541,406	—	—	2,700,878,000	2,754,419,406
	—	(1,374,632)	(10,770,625)	—	—	—	(540,043)	—	(19,875)	(28,614,000)	(29,173,918)
	—	—	0	27,215,246	1,442,534	17,964,573	—	4,653,122	—	—	51,275,475
	—	5,244,530,362	5,244,530,362	—	—	—	—	—	—	—	0
	—	—	0	—	—	—	—	—	290,797	—	290,797
	—	—	0	—	130,128	—	—	—	—	—	130,128
	—	—	0	—	—	—	—	—	1,546,122	—	1,546,122
	—	—	0	12,030,840	—	—	—	—	—	—	12,030,840
	—	—	0	157,589	7,488	138,571	—	70	—	—	303,718
\$	0	\$ 5,403,254,965	\$ 7,072,058,540	\$ 55,066,375	\$ 4,103,804	\$ 44,489,715	\$ 95,971,000	\$ 8,589,032	\$ 6,258,250	\$ 4,993,301,426	\$ 5,207,779,602
\$	—	\$ —	\$ 8,324,645	\$ 1,719,814	\$ 208,457	\$ 1,349,220	\$ 575,000	\$ 455,312	\$ 84,089	\$ 7,802,082	\$ 12,193,974
	—	—	405,363,000	11,814,344	1,149,348	10,335,898	26,620,000	2,285,080	2,294,791	865,191,000	919,690,461
	—	4,852,238,070	4,852,238,070	—	—	—	—	—	—	—	0
	—	—	16,900,000	203,390	—	112,787	346,000	—	2,634	42,911,000	43,575,811
\$	0	\$ 4,852,238,070	\$ 5,282,825,715	\$ 13,737,548	\$ 1,357,805	\$ 11,797,905	\$ 27,541,000	\$ 2,740,392	\$ 2,381,514	\$ 915,904,082	\$ 975,460,246
\$	0	\$ 551,016,895	\$ 1,789,232,825	\$ 41,328,827	\$ 2,745,999	\$ 32,691,810	\$ 68,430,000	\$ 5,848,640	\$ 3,876,736	\$ 4,077,397,344	\$ 4,232,319,356
\$	—	\$ —	\$ 673,425	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0
	—	—	0	—	—	—	—	—	—	3,650,000	3,650,000
	—	—	0	—	—	—	—	—	—	(329,426)	(329,426)
\$	0	\$ 0	\$ 673,425	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,320,574	\$ 3,320,574
\$	0	\$ 551,016,895	\$ 1,789,906,250	\$ 41,328,827	\$ 2,745,999	\$ 32,691,810	\$ 68,430,000	\$ 5,848,640	\$ 3,876,736	\$ 4,080,717,918	\$ 4,235,639,930
	56,131,000	2,659,446,092	14,281,887,198	310,919,972	35,896,852	248,165,269	701,850,000	39,116,761	34,493,619	34,868,775,175	36,239,217,648
	(56,131,000)	—	0	—	—	—	—	—	—	—	0
\$	0	\$ 3,210,462,987	\$ 16,071,793,448	\$ 352,248,799	\$ 38,642,851	\$ 280,857,079	\$ 770,280,000	\$ 44,965,401	\$ 38,370,355	\$ 38,949,493,093	\$ 40,474,857,578

# State of Georgia

## Combined Statement of Changes in Fund Balances College and University Funds For the Fiscal Year Ended June 30, 1999

	Current Funds		Loan Funds
	Unrestricted	Restricted	
<b>Revenues and Other Additions:</b>			
Unrestricted Revenues	\$ 1,242,793,536	\$ —	\$ —
Federal Grants and Contracts	—	659,936,364	(125,584)
State Grants and Contracts	—	277,337,671	2,624
Local Grants and Contracts	—	5,691,832	3,193
Private Gifts, Grants and Contracts	—	190,493,820	287,822
Investment Income			
Endowment	—	9,279,896	—
Other	—	131,407	749,151
Sales and Services	—	5,132,484	—
Interest on Loans Receivable	—	—	980,478
Expended for Plant Facilities			
Current Funds	—	—	—
Plant Funds			
Unexpended	—	—	—
Renewals and Replacements	—	—	—
Georgia State Financing and Investment Commission	—	—	—
Other Additions (Net)			
Insurance Recoveries	—	—	—
Other	3,304,691	80,083	—
Recovery of Prior Year's Cancelled Loans and Collection Costs	—	—	367,456
<b>Total Revenues and Other Additions</b>	<b>\$ 1,246,098,227</b>	<b>\$ 1,148,083,557</b>	<b>\$ 2,265,140</b>
<b>Expenditures and Other Deductions:</b>			
Education and General Expenditures	\$ 2,368,499,142	\$ 1,058,898,649	\$ —
Auxiliary Enterprises Expenditures	184,438,105	—	—
Hospital Expenditures	193,373,350	83,706	—
Indirect Cost Recoveries	—	71,468,417	—
Loans Assigned to Federal Government	—	—	14,999
Loan Cancellations and Write-offs	—	—	671,332
Administrative and Collection Costs	—	97,880	284,912
Expended for Plant Facilities			
Capitalized	—	—	—
Non-Capitalized	—	—	—
Other Deductions (Net)	—	—	717,703
Disposals/Deletions/Adjustments	—	—	—
<b>Total Expenditures and Other Deductions</b>	<b>\$ 2,746,310,597</b>	<b>\$ 1,130,548,652</b>	<b>\$ 1,688,946</b>

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

Endowment and Similar Funds	Plant Funds			Total (Memorandum Only)
	Unexpended	Renewals and Replacements	Investment in Plant	
\$ —	\$ —	\$ —	\$ —	\$ 1,242,793,536
—	1,564,841	—	—	661,375,621
—	37,072	—	—	277,377,367
—	—	301,276	—	5,996,301
2,230,042	36,796,631	—	3,199,630	233,007,945
994,967	149,000	—	—	10,423,863
—	14,753,214	720,082	—	16,353,854
—	—	—	—	5,132,484
—	—	—	—	980,478
—	—	—	187,150,126	187,150,126
—	—	—	136,784,250	136,784,250
—	—	—	10,447,880	10,447,880
—	—	—	143,548,924	143,548,924
—	7,709,317	—	—	7,709,317
—	1,144,783	142,208	—	4,671,765
—	—	—	—	367,456
<u>\$ 3,225,009</u>	<u>\$ 62,154,858</u>	<u>\$ 1,163,566</u>	<u>\$ 481,130,810</u>	<u>\$ 2,944,121,167</u>
\$ —	\$ —	\$ —	\$ —	\$ 3,427,397,791
—	—	—	—	184,438,105
—	—	—	—	193,457,056
—	—	—	—	71,468,417
—	—	—	—	14,999
—	—	—	—	671,332
—	13,140	—	—	395,932
—	136,784,250	10,447,880	—	147,232,130
—	15,139,638	2,670,578	—	17,810,216
95,297	—	—	—	813,000
—	—	—	61,700,028	61,700,028
<u>\$ 95,297</u>	<u>\$ 151,937,028</u>	<u>\$ 13,118,458</u>	<u>\$ 61,700,028</u>	<u>\$ 4,105,399,006</u>

(continued)

# State of Georgia

## Combined Statement of Changes in Fund Balances College and University Funds (continued) For the Fiscal Year Ended June 30, 1999

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Transfers Between Funds, Net In (Out)			
Mandatory	\$ (2,214,722)	\$ (603,216)	\$ 60,797
Nonmandatory	(27,291,756)	(1,715,901)	25,370
Total Transfers Between Funds	\$ (29,506,478)	\$ (2,319,117)	\$ 86,167
Operating Transfers:			
Transfers In	\$ 1,559,963,697	\$ —	\$ —
Transfers Out	(4,458,712)	—	—
Transfers to Component Units	(18,766,640)	—	—
Total Operating Transfers	\$ 1,536,738,345	\$ 0	\$ 0
Net Increase (Decrease) in Fund Balances	\$ 7,019,497	\$ 15,215,788	\$ 662,361
Fund Balances, July 1	100,748,775	72,074,823	60,931,674
Fund Balances, June 30	\$ 107,768,272	\$ 87,290,611	\$ 61,594,035

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

Endowment and Similar Funds	Plant Funds			Total (Memorandum Only)
	Unexpended	Renewals and Replacements	Investment in Plant	
\$ 2,757,141	\$ —	\$ —	\$ —	\$ 0
<u>(2,091,224)</u>	<u>16,318,305</u>	<u>14,755,206</u>	<u>—</u>	<u>0</u>
\$ <u>665,917</u>	\$ <u>16,318,305</u>	\$ <u>14,755,206</u>	\$ <u>0</u>	\$ <u>0</u>
\$ —	\$ 72,766,966	\$ 782,000	\$ —	\$ 1,633,512,663
—	2,109,668	—	—	(2,349,044)
—	—	—	—	(18,766,640)
\$ <u>0</u>	\$ <u>74,876,634</u>	\$ <u>782,000</u>	\$ <u>0</u>	\$ <u>1,612,396,979</u>
\$ 3,795,629	\$ 1,412,769	\$ 3,582,314	\$ 419,430,782	\$ 451,119,140
<u>118,961,026</u>	<u>17,016,512</u>	<u>34,143,126</u>	<u>4,616,613,751</u>	<u>5,020,489,687</u>
\$ <u><u>122,756,655</u></u>	\$ <u><u>18,429,281</u></u>	\$ <u><u>37,725,440</u></u>	\$ <u><u>5,036,044,533</u></u>	\$ <u><u>5,471,608,827</u></u>

# State of Georgia

## Combined Statement of Current Funds Revenues, Expenditures and Other Changes College and University Funds For the Fiscal Year Ended June 30, 1999

	Current Funds		Total (Memorandum Only)
	Unrestricted	Restricted	
<b>Revenues:</b>			
Tuition and Fees	\$ 554,990,642	\$ —	\$ 554,990,642
Federal Grants and Contracts	67,047,358	605,722,266	672,769,624
State Grants and Contracts	5,489,012	273,224,574	278,713,586
Local Grants and Contracts	339,063	5,541,462	5,880,525
Private Gifts, Grants and Contracts	12,151,148	165,803,159	177,954,307
Investment Income	117,056	3,046,685	3,163,741
Sales and Services of Educational Departments	63,217,957	5,080,096	68,298,053
Sales and Services of Auxiliary Enterprises	185,517,251	—	185,517,251
Sales and Services of Hospital	222,256,904	—	222,256,904
Other Sources	131,667,145	—	131,667,145
	<u>\$ 1,242,793,536</u>	<u>\$ 1,058,418,242</u>	<u>\$ 2,301,211,778</u>
<b>Expenditures and Mandatory Transfers:</b>			
<b>Education and General</b>			
Instruction	\$ 907,963,785	\$ 92,829,259	\$ 1,000,793,044
Research	256,669,215	240,467,417	497,136,632
Public Service	152,017,459	67,171,315	219,188,774
Academic Support	233,726,955	8,151,887	241,878,842
Student Services	119,804,088	4,475,132	124,279,220
Institutional Support	398,302,723	34,473,539	432,776,262
Plant Operations and Maintenance	209,113,722	61,528	209,175,250
Scholarships and Fellowships	90,901,195	520,874,688	611,775,883
<b>Auxiliary Enterprises</b>			
Student Housing	57,146,724	—	57,146,724
Faculty and Staff Housing	185,063	—	185,063
Food Services	37,415,178	—	37,415,178
Stores and Shops	15,328,411	—	15,328,411
Intercollegiate Athletics	30,572,927	—	30,572,927
Other Service Units	43,789,802	—	43,789,802
<b>Hospital Expenditures</b>			
Medical College of Georgia Hospital	193,373,350	—	193,373,350
Georgia Correctional Health Care	—	83,021,766	83,021,766
Georgia War Veterans Nursing Home	—	7,455,824	7,455,824
Mandatory Transfers, Net (In) Out	2,214,722	603,216	2,817,938
	<u>\$ 2,748,525,319</u>	<u>\$ 1,059,585,571</u>	<u>\$ 3,808,110,890</u>
<b>Other Transfers and Additions (Deductions):</b>			
Excess of Restricted Receipts over Transfers to Revenues	\$ —	\$ 18,116,815	\$ 18,116,815
Nonmandatory Transfers, Net In (Out)	(27,291,756)	(1,715,901)	(29,007,657)
Other Additions (Deductions), Net	3,304,691	(17,797)	3,286,894
<b>Operating Transfers</b>			
Transfers In	1,559,963,697	—	1,559,963,697
Transfers Out	(4,458,712)	—	(4,458,712)
Transfers to Component Units	(18,766,640)	—	(18,766,640)
	<u>\$ 1,512,751,280</u>	<u>\$ 16,383,117</u>	<u>\$ 1,529,134,397</u>
<b>Total Other Transfers and Additions (Deductions)</b>	<u>\$ 1,512,751,280</u>	<u>\$ 16,383,117</u>	<u>\$ 1,529,134,397</u>
<b>Net Increase in Fund Balances</b>	<u>\$ 7,019,497</u>	<u>\$ 15,215,788</u>	<u>\$ 22,235,285</u>

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

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State of Georgia  
Notes to the Financial Statements  
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### Note 1. Summary of Significant Accounting Policies

With the exception of the departures from generally accepted accounting principles (GAAP) disclosed in the following paragraphs, the financial statements of the State of Georgia have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the College and University Funds have been prepared in conformity with GAAP as promulgated by the provisions of the American Institute of Certified Public Accountants' "Industry Audit Guide - Audits of Colleges and Universities."

The more significant of the State's accounting policies are described below:

#### A. Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered both the organizations which compose the primary government and potential component units. The primary government consists of all the organizations that compose the legal entity of the State of Georgia. All agencies, departments, authorities, commissions, courts, councils, boards, universities, colleges, retirement funds, associations and other funds that are not legally separate are, for financial reporting purposes, considered part of the primary government. In addition, included within the primary government are organizations which are legally separate but so intertwined with the primary government that they are, in substance, part of the primary government.

The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. This Section defines a component unit as a legally separate organization for which the primary government is financially accountable and other organizations for which the primary government is not accountable, but for which the nature and the significance of the relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete.

Financial accountability is the ability to appoint a voting majority of an organization's governing board and to impose will upon the organization or to have exist the potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary

government. In addition, organizations which are fiscally dependent upon the primary government were considered as potential component units.

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Complete financial statements for each of the individual component units may be obtained from the Georgia Department of Audits and Accounts. Blended component units, although legally separate entities, are, in substance, part of the government's operations and therefore data from these units are combined with that of the primary government. The blended component units are as follows:

**GeorgiaNet Authority (Special Revenue Fund)** is an instrumentality of the State of Georgia and a public corporation. The authority is responsible for the centralized marketing of certain information maintained in electronic format to the public. Three of the five members of the Board are appointed by the Governor. Any funds in excess of those needed for the corporate purposes of the authority are required to be transferred to the General Fund.

**Georgia Building Authority (Hospital) (Capital Projects Fund)** is a body corporate and politic. The authority is responsible for the construction and management of hospitals, health care facilities, dormitories and housing accommodations for the use of patients, officers and employees under the control of any State agency. The Board consists of four State officials designated by statute and one member appointed by the Governor.

**Georgia Building Authority (Markets) (Capital Projects Fund)** is a body corporate and politic. The authority is responsible for the construction and management of farmers' markets. The Board consists of four State officials designated by statute and one member appointed by the Governor.

**Georgia Building Authority (Penal) (Capital Projects Fund)** is a body corporate and politic. The authority was created for the purpose of constructing and managing penal institutions, penitentiaries, prisons and prison institutes, detention and corrections institutions, rehabilitation facilities and county correctional institutions. The Board consists of four State officials designated by statute and one member appointed by the Governor.

**Georgia Education Authority (University) (Capital Projects Fund)** is a body corporate and politic. The authority is charged with the overall responsibility of the construction and management of housing accommodations, classrooms, laboratories, libraries, dormitories and instructional,

## Note 1. Summary of Significant Accounting Policies (continued)

administrative and recreational facilities for students, faculty, officers and employees of any institution under control of the Board of Regents. The Board consists of five State officials designated by statute and one member appointed by the Governor.

**Georgia Building Authority (Internal Service Fund)** is a body corporate and politic. The purpose of this authority is to construct and manage buildings and facilities intended for use as office space, public parks and public parking facilities, the executive mansion and laboratories. The Board consists of four State officials designated by statute and one member appointed by the Governor.

**Georgia Correctional Industries Administration (Internal Service Fund)** is a public corporation which utilizes inmates in the manufacturing of products for sale to State agencies and others. The Governor appoints one Board member from each congressional district in the State, as well as appointing five additional members from the State at large.

**Employees' Retirement System of Georgia (Pension Trust Fund)** is a single-employer, public employee retirement system established to provide benefits for employees of the State. The system is governed by a seven member Board of Trustees, three of which are State officials designated by statute, and one of which is appointed by the Governor. The system administers five blended defined benefit pension plans: the Employees' Retirement System Fund, the **District Attorneys' Retirement Fund**, the **Georgia Judicial Retirement System**, the **Legislative Retirement System**, and the **Superior Court Judges Retirement Fund**. The State provides a substantial amount of funding for these retirement systems in the form of employer contributions and administrative expenses.

**Georgia Military College (College and University Funds)** is a body corporate and politic. This institution is dedicated to providing a high-quality military education to the youth of the State. The Board consists of the mayor of the City of Milledgeville, and one trustee elected from each of the six municipal voting districts of the City of Milledgeville, as required by statute.

Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government. The discretely presented component units are as follows:

**Georgia Education Authority (Schools) (Governmental Fund Type)** is a body corporate and politic. The authority

is responsible for the construction of buildings and facilities intended for use as school buildings, classrooms, laboratories, libraries and instructional, administrative and recreational facilities for students, faculty, officers and employees of any institution under control of a county or city board of education or governing body of any independent district or system. The Board consists of six State officials designated by statute and one member appointed by the Governor.

**Georgia Public Telecommunications Commission (Governmental Fund Type)** 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 three State officials designated by statute and six members appointed by the Governor.

**Georgia Agricultural Exposition Authority (Proprietary Fund Type)** 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 nine Board members are appointed by the Governor.

**Georgia Agrirama Development Authority (Proprietary Fund Type)** is a body corporate and politic. The purpose of this authority is to utilize all funds for the purpose of beautifying, improving, developing, maintaining, administering, managing and promoting an agricultural museum in or around Tifton, Georgia; this museum is designated as the State Museum of Agriculture. Of the fourteen members of the Board, four are State officials designated by statute and seven members are appointed by the Governor.

**Georgia Development Authority (Proprietary Fund Type)** 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.

**Georgia Environmental Facilities Authority (Proprietary Fund Type)** is a body corporate and politic. The authority provides assistance to local governments in constructing, extending, rehabilitating, repairing, replacing and renewing environmental facilities by providing financial and technical assistance. The Board consists of three State officials designated by statute and eight members appointed by the Governor.

### **Note 1. Summary of Significant Accounting Policies (continued)**

**Georgia Higher Education Assistance Corporation** (*Proprietary Fund Type*) is a 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 five State officials designated by statute and eleven members appointed by the Governor.

**Georgia Highway Authority** (*Proprietary Fund Type*) is a body corporate and politic. This authority was created to build, rebuild, relocate, construct, reconstruct, surface, resurface, layout, grade, repair, improve, widen, straighten, operate, own, maintain, lease and manage roads, bridges and approaches. The Board consists of three State officials designated by statute.

**Georgia Housing and Finance Authority** (*Proprietary Fund Type*) is a body corporate and politic. The authority is responsible for facilitating housing and housing finance, and financing for health facilities and health care services throughout the State. The Board consists of two State officials designated by statute and ten members appointed by the Governor.

**Georgia International and Maritime Trade Center Authority** (*Proprietary Fund Type*) 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. The Board consists of twelve members, eight of whom are appointed by State officials.

**Georgia Lottery Corporation** (*Proprietary Fund Type*) is a public body, corporate and politic. The corporation 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. The corporation 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 the corporation.

**Georgia Music Hall of Fame Authority** (*Proprietary Fund Type*) is a body corporate and politic whose purpose is to construct, operate and maintain the Music Hall of Fame, as well as promoting music events at the facility and throughout the State. All sixteen members of the Board are appointed by the Governor.

**Georgia Ports Authority** (*Proprietary Fund Type*) 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 Board consists of nine members, all of which are appointed by the Governor.

**Georgia Rail Passenger Authority** (*Proprietary Fund Type*) is a body corporate and politic. This authority is responsible for construction, financing, operation and development of rail passenger service and other public transportation projects. The Board includes one member appointed by the Governor from each congressional district, as well as two appointed members from the State at large.

**Georgia Seed Development Commission** (*Proprietary Fund Type*) 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 ten members who are accountable as trustees. Of the ten members serving on the Board, six members are State officials or are appointed by State officials.

**Georgia Student Finance Authority** (*Proprietary Fund Type*) 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. The Board consists of fifteen members, four of whom are State officials and the remaining eleven are appointed by the Governor.

**Geo. L. Smith II Georgia World Congress Center Authority** (*Proprietary Fund Type*) is a body corporate and politic and an instrumentality and public corporation of the State. The authority is responsible for acquiring, constructing, equipping, maintaining and operating the World Congress Center to promote trade shows, conventions and political, musical, educational, entertainment, recreational, athletic or other events. The fifteen members of the Board are appointed by the Governor.

**Georgia Sports Hall of Fame Authority** (*Proprietary Fund Type*) is a body corporate and politic. This authority was created to construct and maintain a facility to house the Georgia Sports Hall of Fame to honor those who have made outstanding and lasting contributions to sports and athletics, and to operate, advertise and promote the Sports Hall of Fame. The fifteen members of the Board are appointed by State officials. The issuance of bonds must be approved by the Georgia State Financing and Investment Commission.

## Note 1. Summary of Significant Accounting Policies (continued)

**Jekyll Island State Park Authority (Proprietary Fund Type)** 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.

**Lake Lanier Islands Development Authority (Proprietary Fund Type)** 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.

**North Georgia Mountains Authority (Proprietary Fund Type)** 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 nine members of the Board are appointed by the Governor.

**Sapelo Island Heritage Authority (Proprietary Fund Type)** is a body corporate and politic. The purpose of the authority is the preservation of the cultural and historic values of Hog Hammock Community located on Greater Sapelo Island. The three members serving on the Board are State officials. The State has assumed the obligation to provide financial support for real property acquisition.

**State Tollway Authority (Proprietary Fund Type)** is a body corporate and politic and an instrumentality and public corporation of the State. The authority was created to construct, operate and manage a system of roads, bridges and tunnels and facilities related thereto. The three Board members are State officials; therefore, the State can impose its will on the authority.

**Stone Mountain Memorial Association (Proprietary Fund Type)** is a body corporate and politic and an instrumentality and public corporation of the State. The authority is responsible for the preservation and protection of Stone Mountain as a Confederate memorial and public recreational area. The Board consists of one State official designated by statute and eight members appointed by the Governor.

**Superior Court Clerks' Cooperative Authority (Proprietary Fund Type)** 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 seven members of the Board, three are appointed by the Governor. The nature of this organization is such that it would be misleading to exclude it from the reporting entity.

**Georgia Firefighters' Pension Fund (Fiduciary Fund Type)** is a multiple-employer, defined benefit pension plan established for the purpose of paying retirement, death and disability benefits to the firemen of the State of Georgia. The Board of Trustees consists of two State officials designated by statute and three members appointed by the Governor. Benefit provisions and vesting requirements are established by State statute.

**Judges of the Probate Courts Retirement Fund of Georgia (Fiduciary Fund Type)** is a multiple-employer, defined benefit pension plan established for the purpose of paying retirement, death and disability benefits to the judges of the Probate Courts of the State of Georgia. The Board consists of one State official designated by statute and six members appointed by the Governor. Benefit provisions and vesting requirements are established by State statute.

**Peace Officers' Annuity and Benefit Fund of Georgia (Fiduciary Fund Type)** is a multiple-employer, defined benefit pension plan established for the purpose of paying retirement, death and disability benefits to the peace officers of the State of Georgia. The Board of Commissioners of the Annuity and Benefit Fund consists of two State officials designated by statute and four members appointed by the Governor. Benefit provisions and vesting requirements are established by State statute.

**Public School Employees Retirement System (Fiduciary Fund Type)** is a single-employer, defined benefit pension plan established for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers' Retirement System of Georgia. This retirement fund is administered by the Employees' Retirement System Board of Trustees and two other Governor's appointees not on the Employees' Retirement System Board.

**Sheriffs' Retirement Fund of Georgia (Fiduciary Fund Type)** is a multiple-employer, defined benefit pension plan established for the purpose of paying retirement, death and disability benefits to the sheriffs of the State of Georgia. The Board consists of one State official designated by statute and five members appointed by the Governor. Benefit provisions and vesting requirements are established by State statute.

**Superior Court Clerks' Retirement Fund of Georgia (Fiduciary Fund Type)** is a multiple-employer, defined

### Note 1. Summary of Significant Accounting Policies (continued)

benefit pension plan established for the purpose of paying retirement, death and disability benefits to the Superior Court Clerks of the State of Georgia. The Board consists of one State official designated by statute and six members appointed by the Governor. Benefit provisions and vesting requirements are established by State statute.

*Teachers' Retirement System of Georgia (Fiduciary Fund Type)* is a cost-sharing multiple-employer plan created by an act of the Georgia General Assembly to provide retirement, service, disability and survivors' benefits for qualifying teachers. The Board of Trustees is comprised of ten members, eight of which are State officials or are appointed by State officials. The State provides a substantial amount of funding to this retirement system in the form of employer contributions.

#### B. Fund Accounting

The State of Georgia uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

*Primary Government* - The financial statements of the primary government are divided into four fund categories (further divided by fund type) and two account groups, all of which are described below. The four fund categories include governmental, proprietary, fiduciary and college and university funds. The two account groups presented are the general fixed assets account group and the general long-term debt account group.

**Governmental Fund Types** are used to account for all or most of a state's general activities. Governmental fund types include:

*General Fund* - The General Fund is used to account for all financial transactions not required to be accounted for in another fund. These transactions relate to resources obtained and used for services traditionally provided by a state government.

*Special Revenue Funds* - Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

The primary government special revenue fund is the GeorgiaNet Authority. The GeorgiaNet Authority is responsible for centralized marketing, sales, leasing and licensing of certain public information.

*Debt Service Funds* - Debt Service Funds are used to account for the payment of principal and interest on general long-term debt.

The primary government debt service fund is the General Obligation Debt Sinking Fund, which is administered by the Office of Treasury and Fiscal Services. The Debt Sinking Fund is responsible for the accumulation of resources for the payment of principal and interest on general obligation bonds.

*Capital Projects Funds* - Capital Projects Funds are used to account for the acquisition or construction of capital facilities.

**Proprietary Fund Types** are used to account for activities similar to those found in the private sector, where cost recovery and the determination of net income is necessary or useful for sound financial administration.

*Enterprise Funds* - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The primary government enterprise fund is the State Employees' Health Benefit Plan, which is administered by the State Personnel Board, Merit System of Personnel Administration. The State Employees' Health Benefit Plan is a self-insured program of health benefits for the employees of units of government of the State of Georgia, units of county government and local education agencies located within the State of Georgia.

*Internal Service Funds* - Internal Service Funds are used to account for the financing of goods or services provided by

## Note 1. Summary of Significant Accounting Policies (continued)

one department or agency to other State departments or agencies, or to other governmental entities, on a cost-reimbursement basis.

**Fiduciary Fund Types** are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the State. These fund types include:

*Expendable Trust Funds* - Expendable Trust Funds are used to account for the activities of trusts in which both principal and income may be used for the purposes of the trust.

*Nonexpendable Trust Funds* - Nonexpendable Trust Funds are used to account for the activities of trusts when the government is under an obligation to maintain the trust principal.

*Pension Trust Funds* - Pension Trust Funds are used to account for State-administered retirement systems.

*Investment Trust Fund* - Investment Trust Funds are used to account for the external portion of a government-sponsored investment pool.

The primary government investment trust fund is Georgia Fund 1, which is administered by the Office of Treasury and Fiscal Services. Georgia Fund 1 was established to enable local governments to voluntarily invest any idle local moneys.

*Agency Funds* - Agency Funds are used to account for assets that the State holds on behalf of others as their agent.

**College and University Funds** are used to account for the operations of State colleges and universities in accordance with existing authoritative accounting and reporting principles applicable to government-operated colleges and universities. Accordingly, college and university funds are an aggregation of the following funds.

*Current Funds* - Current Funds are used to account for current operating expenditures and related resources and include (1) unrestricted funds over which the college or university retains full control in achieving the institutions' purposes, and (2) restricted funds which may be utilized only in accordance with externally-restricted purposes.

*Loan Funds* - Loan Funds are used to account for transactions of related resources obtained and used for loans to students.

*Endowment and Similar Funds* - Endowment and Similar Funds are used to account for resources held by the institutions that must be administered in accordance with trust agreements.

*Plant Funds* - Plant Funds are used to account for institutional property acquisition, renewal and replacement, debt retirement and investment.

*Agency Funds* - Agency Funds are used to account for amounts held in custody for students, university-related organizations and others. Agency Funds are also used to account for the external portion of college and university fund-sponsored investment pools.

The **General Fixed Assets Account Group** is used to account for all fixed assets acquired or constructed for use by the State, other than those accounted for in the proprietary, fiduciary, and college and university funds.

The **General Long-Term Debt Account Group** is used to account for general obligation bonds outstanding, accrued annual and compensatory leave, capital lease obligations and other long-term liabilities not otherwise recorded in proprietary, fiduciary, and college and university funds.

*Discretely Presented Component Units* - The financial statements of the component units, other than the component units which financial statements were blended with the financial statements of the primary government due to their relationship with the primary government, are presented in separate columns. The three columns presented reflect financial activity for the following fund types:

**Governmental Fund Types** are used to account for component unit general activities.

**Proprietary Fund Types** are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial management.

**Fiduciary Fund Types** are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the State.

The financial data presented in these columns are discretely presented with the balances and transactions for each component unit being aggregated within the component unit's predominant fund type.

## Note 1. Summary of Significant Accounting Policies (continued)

### C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds, pension trust funds and investment trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., 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. Principal revenue sources which are susceptible to accrual include income taxes, sales and use taxes, federal grants and shared revenues. Revenues applicable to expenditure-driven programs, however, may be accrued based on the unexecuted portion of contracts for goods and services. Expenditures are recorded when the related fund liability is incurred, as required by GAAP, with the exception of year-end encumbrances which are recorded as expenditures rather than as a reservation of fund balance. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the subsequent fiscal year.

The accrual basis of accounting, as required by GAAP, is utilized by proprietary fund types, nonexpendable trust funds, pension trust funds and investment trust funds with the exception of the following individual pension trust funds which are reported essentially on the cash basis:

### *Discretely Presented Component Units*

#### **Fiduciary Fund Types**

Firefighters' Pension Fund  
Judges of the Probate Courts Retirement Fund  
Peace Officers' Annuity and Benefit Fund of Georgia  
Sheriffs' Retirement Fund of Georgia  
Superior Court Clerks' Retirement Fund of Georgia

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Depreciation of fixed assets has not been reported for all funds included within the proprietary fund types as required by GAAP.

The College and University Funds are reported using the modified accrual basis of accounting (which is materially the same as the accrual basis of accounting applicable to colleges and universities), with the exception that contractual obligations for services which have not been performed and for goods which have not been delivered at the end of the fiscal year are recognized as expenditures and liabilities in the accompanying financial statements.

As permitted by generally accepted accounting principles for colleges and universities, no depreciation is provided for the physical properties.

### D. Budgets

The annual budget of the State of Georgia 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 revenue and expenditures. 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 level. The appropriated budget covers most governmental funds included in the State reporting entity but excludes the special revenue fund, capital projects funds and certain debt service funds which are not subject to appropriation. The budget includes certain proprietary funds, the college and university funds, and the administrative costs of operating certain public employee retirement systems. 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. 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.

### **Note 1. Summary of Significant Accounting Policies (continued)**

Because the budgetary basis differs from GAAP, budget and actual amounts in the accompanying Statement of Funds Available and Expenditures Compared to Budget - Budget Fund are presented on the budgetary basis. A reconciliation of the excess of funds available over expenditures on the budgetary basis at June 30, 1999, to the excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses/net income (loss)/net increase in plan net assets/net increase (decrease) in fund balances - current funds presented in conformity with GAAP is set forth in Note 3.

#### **E. Deposits and Investments**

##### ***Cash and Cash Equivalents***

Cash and cash equivalents include currency on hand and demand deposits with banks and other financial institutions. Cash and cash equivalents also include short-term, highly liquid investments with maturity dates within three months of the date acquired, with the exception of the college and university funds, which report all time deposits as cash.

##### ***Investments***

Investments are defined as those financial instruments with terms in excess of three months from the date of purchase and certain other securities held for the production of revenue.

The investment policy of the State of Georgia is to maximize the protection of State funds on deposit while accruing an advantageous yield on those funds in excess of those required for current operating expenditures (Official Code of Georgia Annotated [OCGA] 50-17-51). 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 Director of the Office of Treasury and Fiscal Services as revenues of the State of Georgia. 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 Director of the Office of Treasury and Fiscal Services for the purpose of pooled investment (OCGA 50-17-63). Such cash is managed in pooled investment funds to maximize interest earnings. The pooled investment fund "Georgia Fund 1" is also available on a voluntary basis to organizations outside of the State reporting entity.

Authorized pool investments are limited to the following in accordance with State statutes:

- 1) Obligations of the State of Georgia or of other states;
- 2) Obligations issued by the United States government;
- 3) Obligations fully insured or guaranteed by the United States government or a United States government agency;
- 4) Obligations of any corporation of the United States government;
- 5) Prime banker's acceptances;
- 6) Repurchase agreements;
- 7) Obligations of other political subdivisions of the State; and
- 8) Commercial paper issued by domestic corporations.

Pooled cash and cash equivalents and investments are grouped into portfolios for investment purposes according to the operating needs of the State of Georgia and other pool contributors.

The Primary Liquidity Portfolio is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. The pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal. Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and values participants' shares sold and redeemed at the pool's share price, \$1.00 per share. Investments are directed toward short-term instruments such as U. S. Treasury obligations, securities issued or guaranteed as to principal and interest by the U. S. Government or any of its agencies or instrumentalities, banker's acceptances and repurchase agreements.

The Secondary Liquidity Portfolio consists of certificates of deposit with an average investment duration of three (3) months.

The Extended Term Portfolios consist generally of repurchase agreements and certain U. S. Government Securities which include mortgage-backed securities such as collateralized mortgage obligations and adjustable rate mortgages. These mortgage-backed securities are reported as U. S. Government Securities in the disclosure of custodial credit risk (see Note 4). Certain investments in these portfolios are transacted by an external investment management firm under direction of an investment advisory agreement executed between the Office of Treasury and

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### **Note 1. Summary of Significant Accounting Policies (continued)**

Fiscal Services and the investment management firm. The agreement directs the investment firm to utilize the Merrill Lynch 1-3 year Treasury Index in managing the average duration of the overall portfolio, excluding cash, to within plus or minus six months of the duration of the Index. The agreement also places limitations on individual security purchases and holdings. As of June 30, 1999, the State had \$52,114,189 invested in U. S. agency mortgage-backed securities.

Other organizations of the State of Georgia reporting entity invest in a variety of financial activities. These investments may include brokered certificates of deposit, commercial paper, convertible bonds, corporate bonds, notes and obligations, foreign bonds, investment agreements, mortgages, municipal bonds, mutual funds, real estate, real estate mortgages and notes, real estate investment trust limited partnerships, repurchase agreements, short-term investments, stocks, and U. S. Treasury bonds, notes, and bills. Investments of other organizations are stated at fair value at June 30, 1999.

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, 1999, the Department held surety bonds in the amount of \$34,089,426, and cash bonds in the amount of \$10,887,042. These bonds are not recorded on the Combined Balance Sheet.

Securities are held pursuant to statutes which require licensed insurance companies to deposit securities with the Department of Insurance prior to issuance of a certificate of authority to transact insurance by the Commissioner of Insurance. These securities remain in the name of the licensed insurance company as long as the company has a pending claim in the State of Georgia or until a proper order of a court of competent jurisdiction has been issued to the receiver, conservator, rehabilitator, 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 is allowed as long as the required levels of deposits are maintained. At June 30, 1999, securities valued

at \$202,545,315 were held by the Department of Insurance. These securities are not recorded on the Combined Balance Sheet.

Construction contracts awarded by the Department of Transportation usually include provisions to withhold a percentage of the payments until the project reaches a specified state of completion. Georgia law requires that these funds be deposited in a state or national bank chartered within this State. The State controls only the release of these funds; the assets in the accounts are considered to be the property of the contractor. Therefore, no assets and liabilities for these escrow accounts have been included in these financial statements. At June 30, 1999, \$47,341,881 in escrow deposits were administered by the Department of Transportation.

### **F. Receivables**

Receivables in the State's governmental funds pertain primarily to Federal revenues and revenues applicable to charges for services. Receivables in all other funds have arisen in the ordinary course of business. Receivables are recorded when either the asset or revenue recognition criteria (See Note 1-C) have been met. Estimates of allowances for uncollectible receivables have not been made for the majority of receivables included within the financial statements.

### **G. Interfund Receivables/Payables**

The short-term portion of balances arising in connection with interfund loans are recorded as interfund receivables/payables.

### **H. Due To/From Other Funds**

Equally offsetting asset and liability accounts are used to account for amounts owed to a particular fund by another fund for short term obligations on goods sold or services rendered.

### **I. Advances to Other Funds**

Noncurrent portions of long-term interfund loans receivable are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

## Note 1. Summary of Significant Accounting Policies (continued)

### J. Inventories

Inventories of supplies and materials are determined by physical count and/or perpetual inventory records and are valued at cost, current purchase price, fair market value, lower of cost or market using the first-in/first-out (FIFO) method, moving average cost, standard cost, or weighted average cost, depending on the individual organization's preference. The costs of governmental fund-type 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.

Under the purchase method, a portion of the fund balance is reserved for inventories to indicate that it is not available for appropriation. Organizations under the consumption method normally reserve a portion of fund balance equal to the average monthly inventories on hand for the fiscal year.

USDA Donated Food Inventories are shown at a value established by the U. S. Department of Agriculture. Donated food inventories are equally offset by an amount to indicate that they do not constitute "available expendable resources" even though they are a component of net current assets. The fund balance reserve is based on values established by the U. S. Department of Agriculture.

### K. Prepaid Items

Payments made to vendors and local government organizations for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items.

### L. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

### M. Fixed Assets

General fixed assets of governmental fund types are reflected as expenditures in the funds used to acquire or construct them and the related assets are reported in the

general fixed assets account group. Proprietary and trust fund fixed assets are capitalized in their respective funds, except for expendable trust fund fixed assets, which are reported in the general fixed assets account group. College and university funds report expenditures for fixed assets in the funds used to acquire or construct them and the related assets are reported within the plant funds.

Due to the lack of complete and accurate inventory records applicable to State-owned land and buildings and the lack of historical cost values for certain parcels of land and buildings, the general fixed assets account group does not represent a comprehensive valuation of the assets owned by the State of Georgia.

All purchased fixed assets are valued at cost or at estimated historical cost if historical cost is not practically determinable. Certain fixed assets acquired through capital leases in prior years have not been recorded on the financial statements at the net present value of the minimum lease payments as is required by GAAP. Donated fixed assets are valued at their estimated fair market value on the date received.

Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Material improvements adding to the value of assets are capitalized. Interest costs during construction are not capitalized for construction or acquisition of assets funded by governmental fund types and college and university funds. Interest costs during construction for proprietary fund types are not capitalized with the exception of construction projects funded through the Stone Mountain Memorial Association (discretely presented component unit).

With the exception of the college and university funds, public domain ("infrastructure") fixed assets consisting of such assets as roads, bridges, curbs, streets and sidewalks, drainage systems and lighting systems are not generally reported, as these assets are immovable and of value only to the State of Georgia.

Assets in the general fixed assets account group and the college and university funds are not depreciated. The majority of proprietary funds do not record depreciation on fixed assets as required by GAAP.

### N. Compensated Absences

The State's liability for accumulated unpaid annual leave is reported in the accompanying general long-term debt account group for governmental fund types. These amounts

## Note 1. Summary of Significant Accounting Policies (continued)

are not shown as a liability in the funds but are recorded as expenditures when paid. In the proprietary fund types and the college and university funds this obligation is reported as a liability in the respective funds.

Employees earn annual leave ranging from ten to fourteen hours each month depending upon the employee's length of continuous State service with a maximum accumulation of forty-five days. 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 employees.

Employees earn ten hours of sick leave each month with a maximum accumulation of ninety days. Sick leave does not vest with the employee. Unused accumulated sick leave is forfeited upon retirement or termination of employment. However, certain employees who retire with one hundred and twenty days or more of forfeited annual and sick leave are entitled to additional service credit in the Employees' Retirement System of Georgia. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

### O. Deferred Revenue

The State reports deferred revenue on the combined balance sheet. Deferred revenues arise when a potential revenue does not meet the "available" criterion for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim to them, as when grant monies are received prior to qualifying expenditures being incurred. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

### P. Mortgage Loans Under Repurchase Agreements

At June 30, 1999, mortgage loans totaling \$12,601,840 have been transferred and assigned to lenders under repurchase agreements by the Georgia Development Authority (discretely presented component unit). The agreements give the lenders the option to have the Authority repurchase

the mortgage loans for an amount equal to the then outstanding balance of principal and interest due during a specified period of time.

In addition, the Authority guarantees the principal and interest payment by the borrower to the lender within thirty (30) days of the due date. Any payment not received within thirty (30) days is considered advanced to the borrower and paid to the lender by the Authority. The Authority then charges the borrower interest on these advances for the period outstanding at a penalty rate agreed upon at the loan origination date. Fund balance in the amount of fifteen percent (15%) of the principal balances outstanding of mortgage loans under repurchase agreements is reserved.

### Q. Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the subsequent fiscal year. Other long-term obligations, with the exception of the long-term portion of some capital leases, are reported in the general long-term debt account group.

Long-term debt expected to be financed from proprietary fund operations are accounted for in those funds.

### R. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

### S. Bond Discounts/Premiums/Issuance Costs

In governmental fund types, bond discounts, premiums and issuance costs are recognized in the current period. Bond discounts, premiums and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using a method which approximates the effective interest method or the straight-line method. Bond premiums (discounts) are presented as increases (reductions) in the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 1. Summary of Significant Accounting Policies (continued)

#### T. Interfund Transactions

The State has the following types of interfund transactions:

*Quasi-external transactions* for services rendered by one fund to another are accounted for as revenues by the recipient fund and expenditures or expenses by the disbursing fund.

*Reimbursements* of expenditures/expenses initially made from a fund that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

*Residual equity transfers* are recorded for nonrecurring or nonroutine permanent transfers of equity.

*Operating transfers* are recorded for all other interfund transactions.

#### U. Intrafund Transactions

State accounting policies and procedures allow for the recording of revenues, receivables, expenses and liabilities for transactions between State organizations whose financial activity is included within a single fund. State accounting systems do not facilitate the identification of all such transactions. Adjustments have been made for material transactions and balances which have been identified during the preparation of the State's general purpose financial statements; however, all such intrafund transactions and balances were not identifiable and, accordingly, revenues, receivables, expenses and liabilities are overstated, primarily in the general and college and university funds.

#### V. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### W. Fiscal Reporting Periods

The financial statements include financial activity for the Stone Mountain Memorial Association, whose fiscal reporting period differs from that of the State of Georgia (July 1, 1998 through June 30, 1999). The applicable fiscal reporting period for the Stone Mountain Memorial Association is based on a fifty-two/fifty-three week period ending on the last Sunday of each calendar year. Financial activity is reported for the period January 3, 1998, through December 31, 1998.

### Note 2. Other Accounting Disclosures

#### Change in Accounting Policy and Restatements

In fiscal year 1999, the State implemented GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans." Based on revisions to the law, this statement rescinded the requirement to account for Internal Revenue Code Section 457 deferred compensation plans in an agency fund of the employer. The effect of this change is to eliminate the deferred compensation agency fund.

In prior years, the World Congress Center Authority did not record depreciation on certain fixed assets (equipment) acquired through contractual agreements with other parties. In fiscal year 1999, the Authority began recording depreciation on these fixed assets. This change is in accordance with generally accepted accounting principles. The beginning fund equity of the discretely presented component units - proprietary fund types has been decreased by \$2,406,603, and accumulated depreciation has been restated.

Fund equity at July 1, 1998, has been adjusted as follows:

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<u>Discretely Presented Component Units</u>	
<b>Proprietary Fund Types</b>	
Change in Application of Accounting Principle	\$ <u>(2,406,603)</u>

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### Note 3. Budgetary Accounting

The Official Code of Georgia Annotated (OCGA), Title 45, Chapter 12, Article 4 sets forth the process for the development and monitoring of an appropriated budget for the State of Georgia. Not later than September 1 of each year, the head of each executive branch budget unit must submit estimates of the financial requirements for the subsequent fiscal year to the Office of Planning and Budget, which operates under the direction of the Governor. Budget estimates relative to the legislative and judicial branches of State government are provided to the Office of Planning and Budget for the purpose of estimating the total financial needs of the State, but are not subject to revision or review by the Office of Planning and Budget.

The Governor, through the Office of Planning and Budget, 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 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 Constitution of the State of Georgia, Article III, Section IX, Paragraph 4, the General Assembly is prohibited from appropriating funds for any given fiscal year which, in the aggregate, exceeds the amount of unappropriated surplus funds expected to have accrued at the beginning of the subsequent fiscal year together with the total estimated amount of receipts from existing revenue sources, less refunds, anticipated to be collected in the subsequent fiscal year. The Constitution further authorizes the passage of additional Supplementary Appropriation Acts for specific purposes, provided sufficient unappropriated funds are available or additional revenue measures have been enacted. Federal funds received by the State are continually appropriated in the exact amounts and for the purposes

authorized and directed by the awarding federal agency. Internal transfers within a budget unit and between objects of functional or activity budget units are subject to the condition that no State funds shall be transferred for the purpose of initiating a new program area not currently having a State funds appropriation.

The Governor, through the Office of Planning and Budget, requires each budget unit, other than those of the legislative and judicial branches, to submit an annual operating budget based on the activities and functions set forth in the Appropriations Act. Budget units submit quarterly 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 the Office of Planning and Budget.

Budget units (i.e., agencies, commissions) 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 departmental level. Due to the complex nature of the State appropriated budget, a separate budgetary report entitled, "Report of the State Auditor of Georgia," is published each year. This report includes a listing of State organizations (appropriation units) which incurred expenditures in excess of amounts budgeted by object class.

The appropriated budget covers the majority of the governmental funds included within the State of Georgia reporting entity, but excludes the special revenue fund, debt service fund and capital projects funds, which are not subject to appropriation. The budget does include certain proprietary funds, the college and university funds, and the administrative costs of operating various public employee retirement systems. The accompanying Statement of Funds Available and Expenditures Compared to Budget - Budget Fund presents comparisons of the legally adopted budget with actual data prepared on the budgetary basis of accounting utilized by the State. Because the budgetary and GAAP presentations for actual data differ, a reconciliation of "Excess of Funds Available Over Expenditures - Budget Fund - Budgetary Method" and "Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses/Net Income (Loss)/Net Increase in Plan Net Assets/Net Increase (Decrease) in Fund Balances - Current Funds - GAAP Fund Types" appears below.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 3. Budgetary Accounting (continued)

	<u>Budgetary Fund</u>	<u>Financial Statement Fund Types</u>					
		<u>Primary Government</u>					
		<u>Budget</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
Excess of Funds Available Over Expenditures - Budget Fund - Budgetary Method	\$ 1,430,829,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Entity and Perspective Differences:							
Reclassification of Budgetary Funds to GAAP Financial Statement Fund Types	(1,430,829,551)	1,368,817,070	-	-	-	9,215,155	37,918,037
Non-Budgeted Funds	-	964,761,088	268,226	(21,138,304)	130,874,702	-	40,405,725
Budgeted Non-Current Funds	-	-	-	-	-	-	-
Basis Differences:							
Net Accrued Revenues, Related Receivables and Deferred Revenues	-	(2,130,898,676)	-	-	-	(70,031,831)	(23,339,728)
Net Accrued Expenditures/Expenses and Related Liabilities	-	98,559,332	-	-	-	(58,648,367)	13,566,673
Timing Differences:							
Revenues	-	5,867,849	-	-	-	-	-
Expenditures/Expenses	-	-	-	-	-	-	(3,337,117)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses/Net Income (Loss)/Net Increase in Plan Net Assets/Net Increase (Decrease) in Fund Balances - Current Funds - GAAP Fund Types	<u>\$ -</u>	<u>\$ 307,106,663</u>	<u>\$ 268,226</u>	<u>\$ (21,138,304)</u>	<u>\$ 130,874,702</u>	<u>\$ (119,465,043)</u>	<u>\$ 65,213,590</u>

State of Georgia  
Notes to the Financial Statements  
June 30, 1999

	Financial Statement Fund Types						
	Primary Government				Discretely Presented Component Units		
	Expendable Trust	Nonexpendable Trust	Pension/ Investment Trust	College and University	Governmental	Proprietary	Fiduciary
Excess of Funds Available Over Expenditures - Budget Fund Budgetary Method	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Entity and Perspective Differences:							
Reclassification of Budgetary Funds to GAAP Financial Statement Fund Types	-	-	200	15,948,371	(1,786,945)	386,237	331,426
Non-Budgeted Funds	15,316,045	4,286	1,789,906,250	(10,014,327)	133,244	51,926,526	4,235,639,930
Budgeted Non-Current Funds	-	-	-	457,764	-	-	-
Basis Differences:							
Net Accrued Revenues, Related Receivables and Deferred Revenues	-	-	(200)	14,336,082	(1,259,922)	(306,119)	(2,000)
Net Accrued Expenditures/Expenses and Related Liabilities	-	-	-	(3,685,694)	3,176,256	59,216	-
Timing Differences:							
Revenues	-	-	-	6,311,449	-	-	-
Expenditures/Expenses	-	-	-	(1,118,360)	-	-	(329,426)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses/Net Income (Loss)/Net Increase in Plan Net Assets/Net Increase (Decrease) in Fund Balances - Current Funds - GAAP Fund Types	<u>\$ 15,316,045</u>	<u>\$ 4,286</u>	<u>\$ 1,789,906,250</u>	<u>\$ 22,235,285</u>	<u>\$ 262,633</u>	<u>\$ 52,065,860</u>	<u>\$ 4,235,639,930</u>

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 4. Deposits and Investments

*Deposits* - Funds belonging to the State of Georgia 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 OCGA 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.

As authorized in OCGA 50-17-53, the State Depository Board has adopted policies which allow agencies of the State of Georgia the option of exempting demand deposits from the collateral requirements.

### Primary Government

At year end, the carrying amounts of the State's deposits were \$740,916,375, and the bank balances were \$1,185,587,499. The amounts of these bank balances are classified into three categories of credit risk: (1) cash that is insured (e.g., Federal depository insurance) or collateralized with securities held by the State or by its agent in the State's name, (2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the State's name and (3) uncollateralized bank accounts. The State's deposits were classified as follows at June 30, 1999:

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<u>Risk Category</u>	<u>Bank Balance</u>
1	\$ 357,695,095
2	279,892,848
3	<u>547,999,556</u>
	<u>\$ 1,185,587,499</u>

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# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 4. Deposits and Investments (continued)

#### Significant Discretely Presented Component Units

At year end, the significant discretely presented component units' deposits were classified as follows:

	<u>Risk Categories</u>			<u>Bank Balance</u>	<u>Funds Held by (for) Primary Government</u>	<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>			
<i>Governmental Fund Types</i>						
Georgia Education Authority (Schools)	\$ 61	\$ -	\$ -	\$ 61	\$ 632,595	\$ 61
Georgia Public Telecommunications Commission	\$ 280,646	\$ -	\$ 879,705	\$ 1,160,351	\$ 2,010	\$ 513,382
<i>Proprietary Fund Types</i>						
Environmental Facilities Authority	\$ 26,990,543	\$ -	\$ -	\$ 26,990,543	\$ 239,100,342	\$ 16,120,873
Georgia Housing and Financing Authority	\$ 28,980,732	\$ -	\$ 113,122,540	\$ 142,103,272	\$ 6,195,688	\$ 143,652,002
Geo. L. Smith II Georgia World Congress Center Authority	\$ 160,731	\$ 2,018,870	\$ -	\$ 2,179,601	\$ 17,740	\$ 13,847
Superior Court Clerks' Cooperative Authority	\$ 100,000	\$ -	\$ 16,936,695	\$ 17,036,695	\$ -	\$ 16,285,400
All Other Component Units	\$ 18,157,731	\$ 11,635,262	\$ 18,896,058	\$ 48,689,051	\$ 61,666,557	\$ 17,531,779
<i>Fiduciary Fund Types</i>						
Peace Officers' Annuity and Benefit Fund	\$ 155,773	\$ -	\$ 1,265,925	\$ 1,421,698	\$ 20,007,834	\$ 1,394,081
Teachers Retirement System of Georgia	\$ 4,070,418	\$ -	\$ -	\$ 4,070,418	\$ (329,426)	\$ 1,600,236
All Other Component Units	\$ 471,245	\$ 205,247	\$ -	\$ 676,492	\$ 783,429,334	\$ 119,183

*Investments* - Investments are stated at fair value, and are summarized and classified as to risk in the following three categories: (1) insured or registered, or securities held by the State or its agent in the State's name, (2) uninsured or

unregistered, with securities held by the counterparty's trust department or agent in the State's name or (3) uninsured or unregistered, with securities held by the counterparty, or by its trust department or agent but not in the State's name.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 4. Deposits and Investments (continued)

The carrying amounts and risk categories applicable to the State's investments are listed below:

#### Primary Government

<u>Type of Investment</u>	<u>Risk Categories</u>			<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Commercial Paper	\$ 1,769,028	\$ 417,253,486	\$ -	\$ 419,022,514
Corporate Bonds	3,975,303	15,447,500	-	19,422,803
Municipal Bonds	10,100	-	-	10,100
Repurchase Agreements	2,503,380,971	19,191,000	-	2,522,571,971
Stocks	8,733,877,752	54,607,744	119,593	8,788,605,089
U.S. Government Securities and Corporate Obligations	<u>12,214,624,115</u>	<u>68,520,683</u>	<u>-</u>	<u>12,283,144,798</u>
	<u>\$ 23,457,637,269</u>	<u>\$ 575,020,413</u>	<u>\$ 119,593</u>	\$ 24,032,777,275
<i>Unclassified</i>				
Mortgages				4,651,877
Mutual Funds				2,742,621
Other				6,481
Unemployment Compensation Funds Pooled with the U.S. Treasury				<u>1,983,406,133</u>
Total Investments				<u>\$ 26,023,584,387</u>

#### Significant Discretely Presented Component Units

<u>Type of Investment</u>	<u>Risk Categories</u>			<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
<i>Governmental Fund Types</i>				
Georgia Public Telecommunications Commission	\$ 47,850	\$ -	\$ -	\$ 47,850
Stocks	<u>161,230</u>	<u>-</u>	<u>-</u>	<u>161,230</u>
	<u>\$ 209,080</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 209,080
<i>Unclassified</i>				
Mortgages				<u>99,695</u>
				<u>\$ 308,775</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 4. Deposits and Investments (continued)

<u>Type of Investment</u>	<u>Risk Categories</u>			<u>Carrying Amount</u>	
	<u>1</u>	<u>2</u>	<u>3</u>		
<i>Proprietary Fund Types</i>					
Georgia Housing and Finance Authority	Commercial Paper	\$ 2,857,487	\$ -	\$ -	\$ 2,857,487
	Corporate Bonds	3,413,403	-	-	3,413,403
	U.S. Government Securities and Corporate Obligations	<u>32,640,298</u>	<u>-</u>	<u>-</u>	<u>32,640,298</u>
		<u>\$ 38,911,188</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 38,911,188
<i>Unclassified</i>					
	Mortgages				<u>38,588,250</u>
					<u>\$ 77,499,438</u>
Lottery Corporation	U.S. Government Securities and Corporate Obligations	<u>\$ 203,926,000</u>	<u>\$ -</u>	<u>\$ 96,346,000</u>	<u>\$ 300,272,000</u>
Geo. L. Smith II Georgia World Congress Center Authority	Repurchase Agreements	\$ -	\$ 35,051,636	\$ -	\$ 35,051,636
	U.S. Government Securities and Corporate Obligations	<u>-</u>	<u>50,406,728</u>	<u>-</u>	<u>50,406,728</u>
		<u>\$ -</u>	<u>\$ 85,458,364</u>	<u>\$ -</u>	<u>\$ 85,458,364</u>
All Other Component Units	Corporate Bonds	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
	Repurchase Agreements	3,812,452	-	-	3,812,452
	U.S. Government Securities and Corporate Obligations	<u>59,972,868</u>	<u>-</u>	<u>-</u>	<u>59,972,868</u>
		<u>\$ 64,785,320</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 64,785,320
<i>Unclassified</i>					
	Mutual Funds				<u>379,347</u>
					<u>\$ 65,164,667</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 4. Deposits and Investments (continued)

	Type of Investment	Risk Categories			Carrying Amount
		1	2	3	
<i>Fiduciary Fund Types</i>					
Teachers Retirement System of Georgia	Repurchase Agreements	\$ 635,893,000	\$ -	\$ -	\$ 635,893,000
	Stocks	23,093,979,000	-	-	23,093,979,000
	U.S. Government Securities and Corporate Obligations	<u>14,807,428,000</u>	<u>-</u>	<u>-</u>	<u>14,807,428,000</u>
		<u>\$ 38,537,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 38,537,300,000
<i>Unclassified</i>					
	Real Estate				<u>3,760,000</u>
					<u>\$ 38,541,060,000</u>
All Other Component Units	Corporate Bonds	\$ 30,535,344	\$ -	\$ -	\$ 30,535,344
	Investment Accounts	213,343	-	-	213,343
	Notes	51,651,360	-	-	51,651,360
	Stocks	307,600,478	-	-	307,600,478
	U.S. Government Securities and Corporate Obligations	<u>275,783,691</u>	<u>-</u>	<u>-</u>	<u>275,783,691</u>
		<u>\$ 665,784,216</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 665,784,216
<i>Unclassified</i>					
	Mutual Funds				48,162,246
	Real Estate				<u>850,496</u>
					<u>\$ 714,796,958</u>

*Investments Lending Program* - The State is presently involved in a securities lending program 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. 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 110% of the loaned securities value, depending on the type of collateral security.

Securities loaned totaled \$20,913,417,000 at June 30, 1999, and the collateral value was equal to 103.7%. The loaned securities are classified as category 1 investments in the component units - fiduciary fund types based on the custodial arrangements for the collateral securities. Loaned securities are included in the accompanying Statement of Net Plan Assets since the State maintains ownership. The related collateral securities are not recorded as assets on the Statement of Net Plan Assets, and a corresponding liability is not recorded, since the State does not pledge or trade the collateral securities.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 4. Deposits and Investments (continued)

*Investment Pools* - Separate reports on the State's external investment pools are not issued. Condensed financial statements, inclusive of external and internal participants for the fiscal year ended June 30, 1999, and related risk categorization of investments are as follows:

<u>Georgia Fund 1</u> <u>Statement of Net Assets</u> <u>June 30, 1999</u>	<u>Georgia Fund 1</u> <u>Statement of Changes in Net Assets</u> <u>For the Fiscal Year Ended June 30, 1999</u>
<u>Assets</u>	<u>Additions</u>
Cash and Cash Equivalents \$ 1,660,221,810	Pool Participant Deposits \$ 17,176,264,218
Investments <u>4,967,904,502</u>	Investment Income 354,051,930
	Less: Investment Expense <u>(1,835,217)</u>
	Total Additions \$17,528,480,931
Net Assets <u>\$ 6,628,126,312</u>	
	<u>Deductions</u>
	Pool Participant Withdrawals <u>16,703,938,937</u>
	Net Increase \$ 824,541,994
<u>Distribution of Net Assets</u>	<u>Net Assets</u>
External Participant Account Balances \$ 3,210,462,987	July 1 4,042,413,731
Internal Participant Account Balances <u>3,417,663,325</u>	Adjustments
	Restatement of Prior Year Balance <u>1,761,170,587</u>
	June 30 <u>\$ 6,628,126,312</u>

Because the State does not maintain separate bank accounts for Georgia Fund 1, a separate risk categorization for the Fund's deposits cannot be presented. The carrying amount of Georgia Fund 1 deposits as of June 30, 1999, was \$9,133,339. This amount is included in the categorization of deposits of the Primary Government. Investments of Georgia Fund 1 are categorized below. These amounts are included in the categorization of investments of the Primary Government.

<u>Type of Investment</u>	<u>Risk Categories</u>			<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Commercial Paper	\$ -	\$ 356,956,981	\$ -	\$ 356,956,981
Repurchase Agreements	1,877,117,609	-	-	1,877,117,609
U.S. Government Securities and Corporate Obligations	<u>4,384,918,383</u>	<u>-</u>	<u>-</u>	<u>4,384,918,383</u>
	<u>\$ 6,262,035,992</u>	<u>\$ 356,956,981</u>	<u>\$ -</u>	<u>\$ 6,618,992,973</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 4. Deposits and Investments (continued)

#### Regents Investment Pool

##### Statement of Net Assets

June 30, 1999

#### Assets

Cash and Cash Equivalents	\$	5,570,824
Investments		106,000,398
Interest Receivable		<u>728,290</u>
 Net Assets		 <u>\$ 112,299,512</u>

#### Distribution of Net Assets

External Participant Account Balances	\$	8,429,045
Internal Participant Account Balances		<u>103,870,467</u>
		 <u>\$ 112,299,512</u>

#### Regents Investment Pool

##### Statement of Changes in Net Assets

For the Fiscal Year Ended June 30, 1999

#### Additions

Investment Income		
Interest	\$	3,713,266
Fair Value Decreases		(803,459)
Less: Investment Expense		<u>(358,262)</u>
Total Additions		<u>\$ 2,551,545</u>

#### Deductions

Pool Participant Withdrawals	\$	21,473,132
Capital Transactions		<u>(31,613,845)</u>
Total Deductions		<u>\$ (10,140,713)</u>
Net Increase		\$ 12,692,258

#### Net Assets

July 1		<u>99,607,254</u>
June 30		<u>\$ 112,299,512</u>

Because the State does not maintain separate bank accounts for Regents Investment Pool, a separate risk categorization for the Pool's deposits cannot be presented. The carrying amount of Pool deposits as of June 30, 1999, was \$6,299,114. This amount is included in the categorization of deposits of the Primary Government. Investments of Regents Investment Pool are categorized below. These amounts are included in the categorization of investments of the Primary Government.

<u>Type of Investment</u>	<u>Risk Categories</u>			<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Corporate Bonds	\$ -	\$ 9,342,402	\$ -	\$ 9,342,402
Repurchase Agreements	-	19,191,000	-	19,191,000
Stocks	-	41,155,249	-	41,155,249
U.S. Government Securities and Corporate Obligations	<u>-</u>	<u>36,311,747</u>	<u>-</u>	<u>36,311,747</u>
	<u>\$ -</u>	<u>\$ 106,000,398</u>	<u>\$ -</u>	<u>\$ 106,000,398</u>

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 5. Receivables

#### Primary Government

Receivables by fund type as of June 30, 1999, consist of the following:

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	<u>Gross Receivables</u>	<u>Allowance For Uncollectibles</u>	<u>Net Total Receivables</u>
Governmental Fund Types			
General	\$ 3,493,671,214	\$ -	\$ 3,493,671,214
Special Revenue	1,798,500	-	1,798,500
Capital Projects	15,416,774	-	15,416,774
Proprietary Fund Types			
Enterprise	10,146,003	(2,303,272)	7,842,731
Internal Service	7,641,212	-	7,641,212
Fiduciary Fund Types			
Expendable Trust	65,367,762	(15,011,985)	50,355,777
Nonexpendable Trust Funds	6,664	-	6,664
Pension Trust	91,696,816	-	91,696,816
Agency	30,176,583	-	30,176,583
College and University Funds	<u>344,772,294</u>	<u>(72,073,680)</u>	<u>272,698,614</u>
	<u>\$ 4,060,693,822</u>	<u>\$ (89,388,937)</u>	<u>\$ 3,971,304,885</u>

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# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 5. Receivables (continued)

#### Significant Discretely Presented Component Units

Receivables of the significant discretely presented component units as of June 30, 1999, consist of the following:

	<u>Gross Receivables</u>	<u>Allowance For Uncollectibles</u>	<u>Allowance For Service Repayments</u>	<u>Deferred Loan Fees</u>	<u>Net Total Receivables</u>
Governmental Fund Types					
Georgia Public Telecommunications Commission	\$ 1,025,278	\$ (277,887)	\$ -	\$ -	\$ 747,391
Proprietary Fund Types					
Georgia Environmental Facilities Authority	577,395,692	-	-	-	577,395,692
Georgia Housing and Finance Authority	625,018,846	(265,063)	-	-	624,753,783
Georgia Student Finance Authority	385,220,012	(4,073,682)	(30,108,951)	-	351,037,379
All Other Component Units	165,100,786	(4,120,617)	-	(227,988)	160,752,181
Fiduciary Fund Types					
Teachers' Retirement System Of Georgia	409,217,495	-	-	-	409,217,495
All Other Component Units	<u>5,110,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,110,742</u>
	<u>\$ 2,168,088,851</u>	<u>\$ (8,737,249)</u>	<u>\$ (30,108,951)</u>	<u>\$ (227,988)</u>	<u>\$ 2,129,014,663</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 6. Fixed Assets

#### Primary Government

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	<u>Balance July 1, 1998</u>	<u>Retroactive Restatement of Prior Year Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1999</u>
Land and Buildings	\$ 1,987,966,927	\$ -	\$ 123,531,661	\$ (40,057,186)	\$ 2,071,441,402
Improvements Other Than Buildings	448,632	-	166,286	-	614,918
Machinery and Equipment	926,121,955	198,508	144,953,506	(61,949,552)	1,009,324,417
Construction in Progress	<u>350,787</u>	<u>-</u>	<u>-</u>	<u>(350,787)</u>	<u>-</u>
Total General Fixed Assets	<u>\$ 2,914,888,301</u>	<u>\$ 198,508</u>	<u>\$ 268,651,453</u>	<u>\$ (102,357,525)</u>	<u>\$ 3,081,380,737</u>

The following is a summary of the proprietary fund types and college and university funds fixed assets at June 30, 1999:

	<u>Proprietary Fund Types</u>		
	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>College and University Funds</u>
Land and Buildings	\$ -	\$ 239,334,788	\$ 2,924,907,407
Improvements Other Than Buildings	-	-	206,918,526
Machinery and Equipment	359,988	191,146,723	1,700,455,524
Less: Accumulated Depreciation	-	(13,104,836)	-
Construction in Progress	<u>-</u>	<u>-</u>	<u>225,757,306</u>
Net Fixed Assets	<u>\$ 359,988</u>	<u>\$ 417,376,675</u>	<u>\$ 5,058,038,763</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 6. Fixed Assets (continued)

#### Significant Discretely Presented Component Units

The following is a summary of the significant discretely presented component units' fixed assets at June 30, 1999:

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>		
	<u>Georgia Public Telecommunications Commission</u>	<u>Georgia Ports Authority</u>	<u>Stone Mountain Memorial Association</u>	<u>Geo. L. Smith II Georgia World Congress Center Authority</u>	<u>All Other Component Units</u>
Land and Buildings	\$ 27,360,330	\$ 198,834,000	\$ 80,875,545	\$ 209,402,736	\$ 113,845,884
Improvements Other Than Buildings	-	221,768,000	19,374,604	-	2,723,138
Machinery and Equipment	61,460,552	134,051,000	27,827,648	12,863,659	38,190,048
Less: Accumulated Depreciation	-	(218,830,000)	(37,742,396)	(54,936,233)	(23,048,677)
Construction in Progress	-	23,139,000	2,022,146	71,907,608	1,196,732
Net Fixed Assets	<u>\$ 88,820,882</u>	<u>\$ 358,962,000</u>	<u>\$ 92,357,547</u>	<u>\$ 239,237,770</u>	<u>\$ 132,907,125</u>

	<u>Fiduciary Fund Types</u>		
	<u>Firefighters' Pension Fund</u>	<u>Peace Officers' Annuity and Benefit Fund</u>	<u>All Other Component Units</u>
Land and Buildings	\$ 138,054	\$ 310,296	\$ -
Machinery and Equipment	185,172	183,628	40,965
Net Fixed Assets	<u>\$ 323,226</u>	<u>\$ 493,924</u>	<u>\$ 40,965</u>

As noted in the Summary of Significant Accounting Policies (Note 1), the State does not maintain complete and accurate inventory records applicable to State-owned land and buildings, nor are there historical cost values for certain

parcels of land and buildings; therefore, the tables above do not represent a comprehensive valuation of the assets owned by the State of Georgia.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 7. Risk Management

#### A. Public Entity Risk Pool

The State Personnel Board, Merit System of Personnel Administration internally administers for the State of Georgia a program of health benefits for the employees of units of government of the State of Georgia, units of county government and local education agencies located within the State of Georgia. This plan is funded by participants covered in the plan, by employers' contributions paid by the various units of government participating in the plan, and appropriations by the General Assembly of Georgia. The State Personnel Board, Merit System of Personnel Administration has contracted with Blue Cross Blue Shield of Georgia to process claims in accordance with the State Employees' Health Benefit Plan as established by the State Personnel Board.

A reconciliation of total claims liabilities for fiscal years ended June 30, 1999, and 1998, is shown below:

	Fiscal Year Ended <u>June 30, 1999</u>	Fiscal Year Ended <u>June 30, 1998</u>
Unpaid Claims and Claim Adjustments July 1	\$159,758,318	\$ 148,196,779
Incurred Claims and Claims Adjustment Expenses - Provisions for Insured Events of the Current Year	993,414,951	863,085,931
Payments - Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year and of Prior Years	<u>(934,652,490)</u>	<u>(851,524,392)</u>
Unpaid Claims and Claim Adjustments June 30	<u>\$218,520,779</u>	<u>\$159,758,318</u>

#### B. Board of Regents Employee Health Benefits Plan

The Board of Regents of the University System of Georgia maintains a program of health and dental 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 and its organizational units. All units of the University System of Georgia share the risk of loss for claims of the plan.

The Board of Regents has contracted with Blue Cross Blue Shield to process all claims in accordance with medical coverage guidelines as established by the Board of Regents.

A reconciliation of total claims liabilities for fiscal years ended June 30, 1999, and 1998, is shown below:

	Fiscal Year Ended <u>June 30, 1999</u>	Fiscal Year Ended <u>June 30, 1998</u>
Unpaid Claims and Claim Adjustments July 1	\$ 21,800,000	\$ 20,900,000
Incurred Claims and Claims Adjustment Expenses - Provisions for Insured Events of the Current Year	159,756,073	140,916,616
Payments - Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year and of Prior Years	<u>(156,256,073)</u>	<u>(140,016,616)</u>
Unpaid Claims and Claim Adjustments June 30	<u>\$ 25,300,000</u>	<u>\$ 21,800,000</u>

#### 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.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 7. Risk Management (continued)

The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS services 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. Premiums for the risk management program are charged to the State agencies by DOAS to provide claims servicing and claims payment.

A reconciliation of total claims liabilities for fiscal years ended June 30, 1999, and 1998, is shown below:

	Fiscal Year Ended <u>June 30, 1999</u>	Fiscal Year Ended <u>June 30, 1998</u>
Unpaid Claims and Claim Adjustments July 1	\$ 357,293,702	\$ 258,497,047
Incurred Claims and Claims Adjustment Expenses - Provisions for Insured Events of the Current Year	158,694,809	183,454,774
Payments - Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Year and of Prior Years	<u>(84,270,758)</u>	<u>(84,658,119)</u>
Unpaid Claims and Claim Adjustments June 30	<u>\$ 431,717,753</u>	<u>\$ 357,293,702</u>

### Note 8. Construction and Other Significant Commitments

#### Primary Government

The Georgia State Financing and Investment Commission has entered into agreements with various State departments and agencies for the expenditure of bond sale proceeds and cash supplements (provided by the department or agency involved) to acquire and construct capital projects. At June 30, 1999, the undisbursed balance remaining on these agreements approximates \$901,000,000.

### Significant Discretely Presented Component Units

#### Proprietary Fund Types

At June 30, 1999, the Georgia Ports Authority had commitments for construction projects of approximately \$13,500,000.

### Note 9. Operating Leases

#### A. Lessee

The State leases land, office facilities, office and computer equipment, and other assets. 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. Certain organizations within the State's reporting entity do not maintain adequate systems for recording lease commitments in accordance with GAAP.

Future minimum commitments for operating leases as of June 30, 1999, are listed below. Amounts are included for renewable leases for which the option to renew for the subsequent fiscal year has been exercised.

#### Primary Government

<u>Fiscal Year Ended June 30</u>	
2000	\$ 77,603,346
2001	16,129,024
2002	15,775,338
2003	15,240,670
2004	14,781,293
2005 and Subsequent	<u>18,679,314</u>
Total Minimum Commitments	<u>\$158,208,985</u>

Expenditures for rental of real property and equipment for the year ended June 30, 1999, totaled \$78,979,549.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 9. Operating Leases (continued)

#### Significant Discretely Presented Component Units

##### *Proprietary Fund Types*

<u>Georgia Lottery Corporation</u>	
<u>Fiscal Year Ended June 30</u>	
2000	\$ 1,963,000
2001	1,963,000
2002	1,963,000
2003	1,963,000
2004	14,000
2005 and Subsequent	<u>-</u>
	\$ 7,866,000
Less: Sublease Revenues	<u>(1,476,000)</u>
Total	<u>\$ 6,390,000</u>

Expenditures for rental of real property and equipment for the year ended June 30, 1999, totaled \$1,579,000.

<u>North Georgia Mountains Authority</u>	
<u>Fiscal Year Ended June 30</u>	
2000	\$ 1,432,064
2001	1,434,982
2002	1,438,486
2003	1,448,954
2004	1,467,011
2005 and Subsequent	<u>15,391,903</u>
Total Minimum Commitments	<u>\$ 22,613,400</u>

Expenditures for rental of real property and equipment for the year ended June 30, 1999, totaled \$1,429,219.

### *B. Lessor*

The State leases certain of its facilities for use by others for terms varying from 1 to 65 years, with the majority of leases controlled by the State Properties Commission. These leases are accounted for as operating leases; revenues for services provided and for use of facilities are recorded when earned. Minimum future revenues and rentals to be received under operating leases as of June 30, 1999, are as follows:

#### Primary Government

<u>Fiscal Year Ended June 30</u>	
2000	\$ 8,291,532
2001	8,407,857
2002	8,531,267
2003	8,658,139
2004	8,779,599
2005 and Subsequent	<u>163,497,496</u>
Total	<u>\$ 206,165,890</u>

Revenues from rental of facilities for the year ended June 30, 1999, totaled \$8,244,572.

#### Significant Discretely Presented Component Units

##### *Proprietary Fund Types*

<u>Lake Lanier Islands Development Authority</u>	
<u>Fiscal Year Ended June 30</u>	
2000	\$ 3,100,000
2001	3,100,000
2002	3,200,000
2003	3,200,000
2004	3,200,000
2005 and Subsequent	<u>137,866,667</u>
Total	<u>\$ 153,666,667</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 9. Operating Leases (continued)

Revenues from rental of facilities for the year ended June 30, 1999, totaled \$3,155,729.

#### Georgia Ports Authority

##### Fiscal Year Ended June 30

2000	\$	5,154,000
2001		3,836,000
2002		3,165,000
2003		2,462,000
2004		2,048,000
2005 and Subsequent		<u>22,172,000</u>
<b>Total</b>	<b>\$</b>	<b><u>38,837,000</u></b>

Revenues from rental of facilities for the year ended June 30, 1999, totaled \$22,172,000.

### Note 10. Capital Leases and Installment Purchases

The State acquires certain property and equipment through multi-year installment purchases or capital leases with varying terms and options. The majority of these agreements contain fiscal funding clauses in accordance with OCGA 50-5-64 which prohibits the creation of a debt to the State of Georgia for the payment of any sums under such agreements beyond the fiscal year of execution if appropriated funds are not available. If renewal of such agreements is reasonably assured, however, capital leases requiring appropriation by the General Assembly are considered noncancellable for financial reporting purposes.

Capital leases for the proprietary funds and the college and university funds are reported as a long-term obligation in those funds along with the related assets. Capital leases for the governmental funds are reported in the general long-term debt account group and the related assets are reported in the general fixed assets account group.

As noted in the Summary of Significant Accounting Policies (Note 1), capital lease transactions have not been consistently recorded in conformity with GAAP. Fixed assets in prior years have not been recorded in the general fixed assets account group at the net present value of the minimum payments nor has the long-term liability applicable to capital leases been consistently recorded in the general long-term debt account group. Also, the State does not record

expenditures and other financing sources in the governmental fund types when capitalized leases are entered into as required by GAAP. At June 30, 1999, future commitments under installment purchases and capital leases were as follows:

### Primary Government

#### Fiscal Year Ended June 30

2000		\$ 18,200,517
2001		14,483,493
2002		5,699,598
2003		1,318,401
2004		995,464
2005 and Subsequent		<u>9,709</u>
<b>Total Capital Lease and Installment Purchase Payments</b>		<b>\$ 40,707,182</b>
<b>Less: Interest</b>		<b><u>(3,162,154)</u></b>
<b>Present Value of Capital Lease and Installment Purchase Payments</b>		<b><u>\$ 37,545,028</u></b>
Installment Purchases	\$	7,714,944
Capital Leases		<u>29,830,084</u>
		<b><u>\$ 37,545,028</u></b>

### Significant Discretely Presented Component Units

#### *Governmental Fund Types*

#### Georgia Public Telecommunications Commission

##### Fiscal Year Ended June 30

2000		\$ 2,809,146
2001		2,775,628
2002		2,086,580
2003		2,083,804
2004		1,651,626
2005 and Subsequent		<u>658,293</u>
<b>Total Installment Purchase Payments</b>		<b>\$ 12,065,077</b>
<b>Less: Interest</b>		<b><u>(1,376,346)</u></b>
<b>Present Value of Installment Purchase Payments</b>		<b><u>\$ 10,688,731</u></b>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 10. Capital Leases and Installment Purchases (continued)

#### Proprietary Fund Types

<u>Geo. L. Smith II</u> <u>Georgia World Congress Center Authority</u>	
<u>Fiscal Year Ended June 30</u>	
2000	\$ 332,168
2001	164,384
2002	-
2003	-
2004	-
2005 and Subsequent	-
Total Capital Lease and Installment Purchase Payments	\$ 496,552
Less: Interest	<u>(68,509)</u>
Present Value of Capital Leases and Installment Purchases	<u>\$ 428,043</u>
Installment Purchases	\$ 428,043
Capital Leases	<u>-</u>
	<u>\$ 428,043</u>

### Note 11. Long-Term Debt

#### Primary Government

*General Obligation Bonds.* The State issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general State and proprietary activities, to provide loans to local governments for water and sewer systems, to construct educational facilities for local school systems, and to refund general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the State. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government	1.25% - 8.40%	\$ 4,051,270,000
General Government - Refunding	2.00% - 6.75%	<u>728,460,000</u>
		<u>\$ 4,779,730,000</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 11. Long-Term Debt (continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 333,305,000	\$ 273,580,728	\$ 606,885,728
2001	276,640,000	255,368,897	532,008,897
2002	286,260,000	238,493,753	524,753,753
2003	288,310,000	221,796,945	510,106,945
2004	317,670,000	203,873,974	521,543,974
Thereafter	<u>3,277,545,000</u>	<u>973,479,576</u>	<u>4,251,024,576</u>
	<u>\$ 4,779,730,000</u>	<u>\$ 2,166,593,873</u>	<u>\$ 6,946,323,873</u>

*General State Bonds.* All General State Bonds of the State of Georgia are past due, but have not been presented for redemption. This obligation will be liquidated if and when the past due outstanding bonds and coupons are presented. Unredeemed General State Bonds at June 30, 1999, were \$15,505 with accumulated interest of \$11,475.

*Revenue Bonds.* At June 30, 1999, \$209,645,000 of outstanding general obligation bonds (including prior years'

refundings), and \$1,557,000 of outstanding Georgia Education Authority (University) revenue bonds (including prior years' defeasances) are considered defeased.

*Changes in Long-Term Liabilities.* During the year ended June 30, 1999, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Earned and Utilized (Net)</u>	<u>Balance June 30</u>
Compensated Absences	\$ 212,076,813	\$ -	\$ -	\$ 7,376,711	\$ 219,453,524
Claims and Judgements	697,979	-	-	-	697,979
Capital Leases and Installment Purchases	4,344,386	4,670,386	(2,008,915)	-	7,005,857
General Obligation Debt	4,505,775,000	862,030,000	(588,075,000)	-	4,779,730,000
General State Bond Debt	15,505	-	-	-	15,505
Long-Term Notes	<u>2,846,689</u>	<u>-</u>	<u>(49,423)</u>	<u>-</u>	<u>2,797,266</u>
	<u>\$ 4,725,756,372</u>	<u>\$ 866,700,386</u>	<u>\$ (590,133,338)</u>	<u>\$ 7,376,711</u>	<u>\$ 5,009,700,131</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 11. Long-Term Debt (continued)

#### Significant Discretely Presented Component Units

##### Governmental Fund Types

*Defeased Debt.* At June 30, 1999, \$460,000 of outstanding Georgia Education Authority (Schools) revenue bonds (including prior year's defeasances) are considered defeased.

##### Proprietary Fund Types

*Long-Term Operating Debt.* Long-term operating debt has been issued by the Georgia Student Finance Authority. This debt consists of a financing agreement with SunTrust Bank with an outstanding balance at June 30, 1999, of \$31,500,000.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Georgia Student Finance Authority	Varies Based on Market Rates	<u>\$ 31,500,000</u>

Long-term operating debt requirements to maturity are as follows:

<u>Georgia Student Finance Authority</u>			
<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	<u>\$ 31,500,000</u>	<u>\$ -</u>	<u>\$ 31,500,000</u>
Interest varies based on market rates and therefore is not available for this schedule.			

*Revenue Bonds.* Revenue bonds have been issued by the significant discretely presented component units listed below. Income derived from acquired or constructed assets is pledged to fund the debt service requirements of these issues. Significant discretely presented component unit revenue bonds outstanding, net of unamortized discounts, of \$769,765,901 and \$191,650,732 at the Georgia Housing and Finance Authority and the Geo. L. Smith II Georgia World Congress Center Authority, respectively, at June 30, 1999, are as follows:

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 11. Long-Term Debt (continued)

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Georgia Housing and Finance Authority - Financing the Purchase of Single Family Mortgage Loans for Eligible Persons and Families of Low and Moderate Income within the State of Georgia	2.95% - 11.25%	\$ 767,807,901
- Financing the Purchase of Hospital Equipment and Facilities by Eligible Hospitals	-	\$ 1,958,000
Geo. L. Smith II Georgia World Congress Center Authority - Construction of the Georgia Dome Stadium	6.950% - 7.875%	\$ 191,650,732

Revenue bond debt service requirements to maturity are as follows:

<u>Georgia Housing and Finance Authority</u>			
<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 10,529,278	\$ 43,911,884	\$ 54,441,162
2001	12,625,000	43,120,414	55,745,414
2002	15,075,000	42,455,638	57,530,638
2003	16,480,000	41,668,728	58,148,728
2004	18,005,000	40,784,505	58,789,505
Thereafter	750,068,865	511,985,320	1,262,054,185
Unamortized Discount	(323,313)	323,313	-
Future Accretion of Capital Appreciation Bonds	<u>(54,651,929)</u>	<u>54,651,929</u>	<u>-</u>
	<u>\$ 767,807,901</u>	<u>\$ 778,901,731</u>	<u>\$ 1,546,709,632</u>

Various series of bonds issued under Resolution 1 and 3 include capital appreciation bonds which require no payments of principal or interest until maturity. Capital appreciation bonds accrete to their maturity values at effective yields ranging from 7.10% to 11.25%.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 11. Long-Term Debt (continued)

In addition to the above listed revenue bonds, the Georgia Housing and Finance Authority maintains revenue bonds originally issued by the Hospital Financing Authority. The balance at June 30, 1999, was \$1,958,000. The bonds bear interest at an adjustable daily rate with interest payable on

a monthly basis. The interest rate basis is subject to change, at the election of the Authority, to a weekly, monthly, semiannual, or fixed rate. The bond indenture limits the interest rate on the bonds to 20% per annum. The bonds are limited obligations of the Authority, repayable solely from revenues provided from loans and other specific property pledged under the bond debenture, and are not an obligation of the State of Georgia or any political subdivision thereof.

#### Geo. L. Smith II Georgia World Congress Center Authority

Fiscal Year Ended June 30	Principal	Interest	Total
2000	\$ 3,485,000	\$ 7,346,172	\$ 10,831,172
2001	3,745,000	14,559,398	18,304,398
2002	4,025,000	14,281,550	18,306,550
2003	4,330,000	13,977,522	18,307,522
2004	4,665,000	13,644,624	18,309,624
Thereafter	171,850,000	139,743,180	311,593,180
Unamortized Discount	(449,268)	449,268	-
	<u>\$ 191,650,732</u>	<u>\$ 204,001,714</u>	<u>\$ 395,652,446</u>

*Defeased Debt.* At June 30, 1999, \$81,630,000 of outstanding Tollway Authority revenue bonds and \$76,400,000 of Environmental Facilities Authority revenue bonds (including prior years' defeasances) are considered defeased.

### Note 12. Interfund Balances

Interfund assets and liabilities at June 30, 1999, consist of the following:

#### Interfund Receivables:

Receivable Fund	Payable Fund	Interfund Receivable	Interfund Payable
Capital Projects Funds	Proprietary Fund Types - Discretely Presented Component Units	<u>\$ 1,984,169</u>	<u>\$ 3,078,687</u>

Georgia State Financing and Investment Commission (Capital Projects Funds) interfund receivables from Stone Mountain Memorial Association (Proprietary Fund Types - Discretely Presented Component Units) do not reconcile due to the difference in fiscal reporting periods (See Note 1).

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 12. Interfund Balances (continued)

#### Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	Proprietary Fund Types - Discretely Presented Component Units	\$ 711,326	\$ 711,326
Internal Service Funds	General Fund	14,296,095	14,296,095
Internal Service Funds	Special Revenue Fund	72,131	72,131
Internal Service Funds	College and University Funds	1,651,207	1,651,207
Internal Service Funds	Pension Trust Funds	1,146,000	1,146,000
Internal Service Funds	Governmental Fund Types - Discretely Presented Component Units	144,725	144,725
Internal Service Funds	Proprietary Fund Types - Discretely Presented Component Units	124,625	124,625
Pension Trust Funds	Internal Service Funds	515	515
Proprietary Fund Types - Discretely Presented Component Units	Internal Service Funds	5	5
Proprietary Fund Types - Discretely Presented Component Units	Capital Projects Funds	247,993	247,993
Proprietary Fund Types - Discretely Presented Component Units	General Fund	<u>2,053,033</u>	<u>2,053,033</u>
Total		<u>\$ 20,447,655</u>	<u>\$ 20,447,655</u>

#### Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Advance To</u>	<u>Advance From</u>
General Fund	Agency Funds	\$ 6,925	\$ 6,925
General Fund	Proprietary Fund Types - Discretely Presented Component Units	53,750	53,750
Capital Projects Funds	Proprietary Fund Types - Discretely Presented Component Units	<u>12,647,162</u>	<u>12,647,162</u>
Total		<u>\$ 12,707,837</u>	<u>\$ 12,707,837</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 13. Contributed Capital

During the year, contributed capital increased by the following amounts:

#### Primary Government

<u>Source</u>	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Department of Administrative Services</u>	<u>Georgia Building Authority (Regular)</u>	<u>Georgia Correctional Industries Administration</u>	
General Obligation Bond Proceeds/ Fixed Assets Contributed by Primary Government	\$ -	\$ 175,983	\$ -	\$ 175,983
Contributed Capital July 1, 1998	<u>53,384,666</u>	<u>220,059,544</u>	<u>1,145,948</u>	<u>274,590,158</u>
Contributed Capital June 30, 1999	<u>\$ 53,384,666</u>	<u>\$ 220,235,527</u>	<u>\$ 1,145,948</u>	<u>\$ 274,766,141</u>

### Significant Discretely Presented Component Units

#### Proprietary Fund Types

<u>Source</u>	<u>Georgia Environmental Facilities Authority</u>	<u>Georgia Ports Authority</u>	<u>Geo. L. Smith Georgia World Congress Center Authority</u>	<u>All Other Component Units</u>
General Obligation Bond Proceeds/Capital Outlay Contributed by Primary Government	\$ 21,503,796	\$ 8,446,000	\$ -	\$ 3,181,978
Contributions from Federal Government	35,476,425	-	-	-
Contributions from Other Sources	-	-	-	23,800
General Obligation Bond Proceeds/Capital Outlay Returned to Primary Government	<u>-</u>	<u>(11,566,000)</u>	<u>-</u>	<u>(21,337,352)</u>
Net Additions (Deductions)	\$ 56,980,221	\$ (3,120,000)	\$ -	\$ (18,131,574)
Contributed Capital July 1, 1998	526,845,283	249,696,794	63,703,860	161,690,879
Restatement of Prior Year Balance	<u>-</u>	<u>-</u>	<u>7,650,000</u>	<u>-</u>
Contributed Capital June 30, 1999	<u>\$ 583,825,504</u>	<u>\$ 246,576,794</u>	<u>\$ 71,353,860</u>	<u>\$ 143,559,305</u>

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 13. Contributed Capital (continued)

Contributed Capital / Residual Equity Transfers for the fiscal year ended June 30, 1999, are as follows:

<u>Receiving Fund</u>	<u>Contributing Fund</u>	<u>Received</u>	<u>Contributed</u>
General Fund	Proprietary Fund Types - Discretely Presented Component Units	\$ 13,877,077	\$ 13,877,077
Capital Projects Funds	Proprietary Fund Types - Discretely Presented Component Units	516,575	19,026,275
Internal Service Funds	Capital Projects Funds	175,983	175,983
Proprietary Fund Types - Discretely Presented Component Units	General Fund	850,611	850,611
Proprietary Fund Types - Discretely Presented Component Units	Capital Projects Funds	<u>32,281,163</u>	<u>32,281,163</u>
		\$ 47,701,409	\$ 66,211,109
Proprietary Fund Types - Discretely Presented Component Units	Other Sources	<u>35,500,225</u>	<u>-</u>
		<u>\$ 83,201,634</u>	<u>\$ 66,211,109</u>

Residual equity transfers received by Georgia State Financing and Investment Commission (Capital Projects Funds) from Stone Mountain Memorial Association (Proprietary Fund Types - Discretely Presented Component Units) do not reconcile due to the difference in fiscal reporting periods (See Note 1).

### Note 14. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and review by grantor agencies, 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. The State believes that such disallowances, if any, will be immaterial to its overall financial position.

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, the ultimate disposition of these proceedings would not have a material adverse effect on the financial condition of the State, with the following exceptions:

### Primary Government

Two suits for refund have been filed against the State of Georgia by out-of-state producers of alcoholic beverages. The two cases seek \$153,000,000 (including interest), in refunds of alcohol import taxes imposed under OCGA Section 3-4-60. These claims constitute 99% of all such taxes paid during the three years preceding these claims. The trial court has granted the State's motion for summary judgment, and 12 of the 23 claimants have appealed to the Georgia Supreme Court. The total principal amount of the claims for refund by the 12 plaintiffs who did appeal now appears to be approximately \$42,000,000. The total principal dollar amount of the claims for refund by the 11 plaintiffs who did not appeal, which claims appear to be conclusively resolved in favor of the State by virtue of the trial court's judgment, now appears to be approximately \$54,000,000.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 14. Contingencies (continued)

A suit was filed March 13, 1998, by DeKalb County against the State of Georgia, the Department of Revenue, Zell Miller (in his official capacity as Governor), and T. Jerry Jackson (in his official capacity as Revenue Commissioner) (collectively, "the State") in connection with the State's collection and distribution of a special local option sales tax in effect in DeKalb County since July 1997. DeKalb's complaint, as amended, seeks an accounting, mandamus, injunctive relief, declaratory judgment, unjust enrichment, bailment, inverse condemnation, and a determination that OCGA section 48-8-67 is unconstitutional. The complaint, as amended, seeks damages of \$27,700,000. Subsequently, DeKalb County has re-estimated its alleged damages as \$12,000,000. DeKalb County's action was dismissed by the trial court, and this dismissal was affirmed in part and reversed in part by the Georgia Supreme Court in an order dated February 22, 1999. The Supreme Court's decision remands to the trial court the accounting claim on the question of whether the Department of Revenue made reasonable efforts to identify county tax proceeds that have been determined by the Department to be unidentifiable to any county. The case is in discovery in the trial court.

A financial institution has filed suit for refund of sales taxes based upon alleged bad debts on installment sales contracts purchased from motor vehicle dealers. The suit seeks a refund of approximately \$300,000. The total amount of all similar pending administrative claims for refund (for the years 1991-1999) is approximately \$36,000,000. After the filing of cross-motions for summary judgment in the original case, the Superior Court ruled in favor of the Defendant State Revenue Commissioner. An appeal of the decision has not yet been docketed in the Georgia Court of Appeals.

Contract claims in the amount of approximately \$11,000,000 have been made against the Board of Regents of the University System of Georgia in connection with construction at the Children's Medical Center in Augusta, Georgia. The delay, equitable adjustment, and design claims were made by 30 subcontractors and the construction manager. The total project cost is \$44,000,000. Several subcontractors have filed suits against the Construction Manager, with the Construction Manager filing corresponding third-party complaints against the Board of Regents. The total amount of claims by subcontractors against the Construction Manager is approximately \$6,640,000. Discovery proceedings in the filed lawsuits and settlement negotiations for all claims are continuing.

A suit was filed on August 13, 1999, that challenges the master settlement agreement between most of the tobacco

manufacturers and 46 states (plus other jurisdictions) and the validity of subsequent legislation related thereto. Couched largely as an antitrust suit, the plaintiffs seek, among other things, disgorgement of funds paid pursuant to the agreement. Under the agreement, Georgia is to receive over \$4,800,000,000 between the years 2000 and 2025. The defendant states have collectively filed a motion to dismiss. The State believes it has good and valid defenses on jurisdictional and other grounds.

Construction on the Animal Health Research Center at the University of Georgia has generated an \$8,200,000 delay, equitable adjustment, and design claim from the contractor. The State believes it has significant counterclaims to assert against the contractor. The case is now entering the discovery phase.

### Significant Discretely Presented Component Units

#### *Proprietary Fund Types*

The Federal Government, through the Guaranteed Student Loan Programs of the U.S. Department of Education, fully reinsured loans guaranteed through September 30, 1993, until the State's rate of annual losses (defaults) exceeded five percent (5%). In the event of future adverse loss experience, the State could be liable for up to (1) twenty percent (20%) of the outstanding balance of loans in repayment status at the beginning of each year which were disbursed prior to October 1, 1993, and (2) twenty-two percent (22%) of the outstanding balance of loans in repayment status at the beginning of each year which were disbursed on or after October 1, 1993.

### Note 15. Subsequent Events

#### Primary Government

##### *General Obligation Bonds Issued*

The State issued General Obligation Bonds in the amount of \$358,585,000 on August 1, 1999 (Series 1999A and 1999 B); in the amount of \$327,615,000 on November 1, 1999 (Series 1999C and 1999D); and in the amount of \$108,515,000 on March 1, 2000 (Series 2000A).

Proceeds from these bonds will be used for the purpose of financing various capital outlay projects.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 16. Retirement Systems

#### Primary Government

##### *Georgia Defined Contribution Plan*

###### *Plan Description*

###### **Organization and Purpose**

The Georgia Defined Contribution Plan ("GDCP") is a single-employer, defined contribution plan established by the Georgia General Assembly in July 1993 for the purpose of providing retirement allowances for State employees who are not members of a public retirement or pension system. GDCP is administered by the Employees' Retirement System (ERS) Board of Trustees.

###### **Membership**

As of June 30, 1999, participation in GDCP is as follows:

---

Active Plan Members	67,928
Terminated Employees Entitled to Benefits but not yet Receiving Benefits	<u>71,215</u>
	<u>139,143</u>

---

###### **Benefits**

A member may retire and elect to receive periodic payments after attainment of age sixty-five (65). The payments will be based upon mortality tables and interest assumptions to be adopted by the Board. If a member has less than \$3,500 credit to his/her account, the Board has the option of requiring a lump sum distribution to the member. 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.

###### **Contributions**

Members are required to contribute seven and one-half percent (7.5%) of their annual salary. There are no employer contributions. Earnings will be credited to each member's account as adopted by the Board. Upon termination of employment, the amount of the member's account is refundable upon request by the member.

##### *District Attorneys' Retirement Fund*

###### *Plan Description*

###### **Organization and Purpose**

The District Attorneys' Retirement Fund ("DARF") is a single-employer, defined benefit pension plan established by the Georgia General Assembly in 1949 for the purpose of providing retirement benefits to the district attorneys of the State of Georgia. DARF is directed by its own Board of Trustees. The Boards of Trustees for ERS and DARF entered into a contract for ERS to administer the plan effective July 1, 1995.

###### **Membership**

As of June 30, 1999, DARF had ten (10) retirees and beneficiaries currently receiving benefits.

###### **Benefits**

Persons appointed as district attorney emeritus shall receive an annual benefit of \$15,000 or one-half of the State salary received by such person as a district attorney for the calendar year immediately prior to the person's retirement, whichever is greater.

###### **Contributions and Vesting**

Member contributions were five percent (5.0%) of their annual salary plus an additional two and one-half percent (2.5%) for the spousal coverage benefit if elected. The State paid member contributions of five percent (5.0%) of the member's annual salary. Additional employer contributions are not actuarially determined but are provided on an as-needed basis to fund current benefits.

##### *Employees' Retirement System of Georgia*

###### *Plan Description*

###### **Organization and Purpose**

Employees' Retirement System of Georgia ("ERS") is a single-employer, defined benefit pension plan 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.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 16. Retirement Systems (continued)

On November 20, 1997, the Board created the Supplemental Retirement Benefit Plan ("SRBP") of ERS. SRBP 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 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 whenever their benefits under ERS exceed the limitation on benefits imposed by IRC Section 415.

#### Membership

As of June 30, 1999, participation in ERS is as follows:

---

Retirees and Beneficiaries	
Currently Receiving Benefits	23,195
Active Plan Members	71,711
Terminated Employees Entitled to Benefits but not yet Receiving Benefits	<u>66,952</u>
	<u>161,858</u>

---

As of June 30, 1999, one hundred seventy-nine (179) members were eligible to participate in the SRBP of ERS.

#### Benefits

The benefit structure of ERS was significantly modified on July 1, 1982. 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. All other members are "new plan" members subject to the modified plan provisions.

Under both the old and new plans, a member may retire and receive normal retirement benefits after completion of ten

(10) years of creditable service and attainment of age sixty-five (65). Additionally, there are certain provisions allowing for retirement after twenty-five (25) years of creditable service regardless of age.

Retirement benefits paid to members are based upon the monthly average of the member's highest twenty-four (24) consecutive calendar months multiplied by the number of years of creditable service. Post-retirement cost - of - living adjustments are also made to members' benefits. 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 and Vesting

Member contributions under the old plan are four percent (4.0%) of annual compensation up to \$4,200 plus six percent (6.0%) of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of one and one-fourth percent (1.25%) of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes. Member contributions under the new plan are one and one-fourth percent (1.25%) of annual compensation. The State is required to contribute at a specified percentage of active member payroll determined annually by actuarial valuation.

Under the SRBP, employer contributions of \$1,828,000 and retirement payments of \$1,637,000 are included in the Statement of Changes in Plan Net Assets for the year ended June 30, 1999. Cash of \$162,000 and employer receivable of \$175,000 are included in the Statement of Plan Net Assets at June 30, 1999.

Members become vested after ten (10) years of creditable 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.

The employer contributions are projected to liquidate the unfunded actuarial accrued liability within nine (9) years based upon the actuarial valuation at June 30, 1998.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 16. Retirement Systems (continued)

#### *Georgia Judicial Retirement System*

##### *Plan Description*

##### **Organization and Purpose**

The Georgia Judicial Retirement System (“GJRS”) is a newly created system serving the members and beneficiaries of the Trial Judges and Solicitors Retirement Fund, the Superior Court Judges Retirement System and the District Attorneys’ Retirement System (collectively the “Predecessor Retirement Systems”). As of June 30, 1998, any person who was an active, inactive or retired member or beneficiary of the Predecessor Retirement Systems was transferred to GJRS in the same status effective July 1, 1998. All assets of the Predecessor Retirement Systems were transferred to GJRS as of July 1, 1998.

GJRS is a multiple-employer cost-sharing defined benefit pension plan established by the Georgia General Assembly for the purpose of providing retirement allowances for trial judges and solicitors of certain courts in Georgia, and their survivors and other beneficiaries, superior court judges of the State of Georgia, and district attorneys of the State of Georgia. GJRS is administered by the ERS Board of Trustees and three (3) other trustees not on the ERS Board.

##### **Membership**

As of June 30, 1999, participation in GJRS is as follows:

---

Retirees and Beneficiaries	
Currently Receiving Benefits	113
Active Plan Members	431
Terminated Employees Entitled to	
Benefits but not yet Receiving Benefits	<u>163</u>
	<u>707</u>

---

##### **Benefits**

The normal retirement for GJRS is age sixty (60) with sixteen (16) years of creditable service; however, a member may retire at age sixty (60) with a minimum of ten (10) years of creditable service.

Retirement benefits paid to members are computed as sixty-six and two-thirds percent (66 2/3%) of annual salary plus one percent (1%) for each year of credited service over sixteen (16) years, not to exceed twenty-four (24) years. Early retirement benefits paid to members are computed as the pro rata portion of the normal retirement benefit, based on service not to exceed sixteen (16) years. Death, disability, and spousal benefits are also available.

##### **Contributions and Vesting**

Members are required to contribute seven and one-half percent (7.5%) of their annual salary plus and additional two and one-half percent (2.5%) if spousal benefit is elected. Employer contributions are actuarially determined and approved and certified by the GJRS Board of Trustees.

Members become vested after ten (10) years of creditable 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.

The employer contributions are projected to liquidate the actuarial accrued funding excess within fourteen (14) years based upon the actuarial valuation at July 1, 1998.

#### *Legislative Retirement System*

##### *Plan Description*

##### **Organization and Purpose**

Legislative Retirement System (“LRS”) is a single-employer, defined benefit plan established by the Georgia General Assembly in 1979 for the purpose of providing retirement allowances for all members of the Georgia General Assembly. LRS is administered by the ERS Board of Trustees.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 16. Retirement Systems (continued)

#### Membership

As of June 30, 1999, participation in LRS is as follows:

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Retirees and Beneficiaries	
Currently Receiving Benefits	190
Active Plan Members	210
Terminated Employees Entitled to	
Benefits but not yet Receiving Benefits	<u>390</u>
	<u>790</u>

---

#### Benefits

A member's normal retirement is after eight (8) years of creditable service and attainment of age sixty-five (65) or eight (8) years of membership service (4 legislative terms) and attainment of age sixty-two (62). A member may retire early and elect to receive a monthly retirement benefit after completion of eight (8) years of membership service and attainment of age sixty (60); however, the retirement benefit is reduced by five percent (5.0%) for each year the member is under age sixty-two (62).

Upon retirement, the member will receive a monthly service retirement allowance of \$28 multiplied by the number of years of creditable service reduced by age reduction factors, if applicable. Death, disability, and spousal benefits are also available through the plan.

#### Contributions and Vesting

Member contributions are eight and one-half percent (8.5%) of annual salary. The State pays member contributions in excess of four percent (4.0%) of annual compensation. Employer contributions are actuarially determined and approved and certified by the Board.

Members become vested after eight (8) years of creditable 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.

The employer contributions are projected to liquidate the actuarial accrued funding excess within forty (40) years based upon the actuarial valuation at June 30, 1998.

### *Superior Court Judges Retirement Fund*

#### *Plan Description*

#### **Organization and Purpose**

The Superior Court Judges Retirement Fund ("SCJRF") is a single-employer, defined benefit pension plan established by the Georgia General Assembly in 1945 for the purpose of providing retirement benefits to the superior court judges of the State of Georgia. SCJRF is directed by its own Board of Trustees. The Boards of Trustees for ERS and SCJRF entered into a contract for ERS to administer the Plan effective July 1, 1995.

#### **Membership**

As of June 30, 1999, participation in SCJRF is as follows:

---

Retirees and Beneficiaries Currently	
Receiving Benefits	34
Active Plan Members	2
Terminated Employees Entitled to	
Benefits but not yet Receiving Benefits	<u>4</u>
	<u>40</u>

---

#### **Benefits**

The normal retirement for SCJRF is age sixty-eight (68) with nineteen (19) years of creditable service with a benefit of two-thirds the salary paid to superior court judges. A member may also retire at age sixty-five (65) with a minimum of ten (10) years of creditable service with a benefit of one-half the salary paid to superior court judges. Death, disability, and spousal benefits are also available.

#### **Contributions and Vesting**

Member contributions are five percent (5.0%) of their salary plus an additional two and one-half percent (2.5%) for the spousal coverage benefit if elected. The State pays member contributions of five percent (5.0%) of the member's annual salary. Additional employer contributions are not actuarially determined but are provided on an as-needed basis to fund current benefits.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 16. Retirement Systems (continued)

#### *Regents Retirement Plan*

##### *Plan Description*

##### **Organization and Purpose**

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan established and administered by the Board of Regents of the University System of Georgia (College and University Funds), under which it may purchase annuity contracts for the purpose of providing retirement and death benefits for eligible faculty and principal administrators.

##### **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.

##### **Contributions and Vesting**

Member contributions are five percent (5.0%) of the earnable compensation, as established by the Board of Trustees of the Teachers' Retirement System. Employer contributions are 8.34% of the participating employee's earnable compensation. Employer contributions are established by statute and may be amended only by the General Assembly of the State of Georgia.

Amounts attributable to all plan contributions are fully vested and non-forfeitable.

#### **Significant Discretely Presented Component Units**

##### *Teachers' Retirement System of Georgia*

##### *Plan Description*

##### **Organization and Purpose**

The Teachers' Retirement System of Georgia ("TRS") is a cost-sharing multiple-employer 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 ("SRBP").

SRBP 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 the SRBP 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 whenever their benefits under TRS exceed the IRC Section 415 imposed limitation on benefits.

##### **Membership**

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.

As of June 30, 1999, participation in TRS is as follows:

---

Retirees and Beneficiaries	
Currently Receiving Benefits	43,732
Active Plan Members	186,822
Terminated Employees Entitled to	
Benefits but not yet Receiving Benefits	<u>30,081</u>
	<u>260,635</u>

---

As of June 30, 1999, seven (7) members were eligible to participate in the SRBP of TRS.

##### **Benefits**

A member is eligible for normal service retirement after thirty (30) years of creditable service, regardless of age, or after ten (10) years of service and attainment of age sixty (60). A member is eligible for early retirement after twenty-five (25) years of creditable service.

Normal retirement (pension) benefits paid to members are equal to two percent (2.0%) of the average of the member's two (2) highest paid consecutive years of service multiplied by the number of years of creditable service up to forty (40) years. Early retirement benefits are reduced by the lesser of one-twelfth (1/12) of seven percent (7.0%) for each month the member is below age sixty (60), or by seven percent (7.0%) for each year or fraction thereof by which the member has less than thirty (30) years of service. It is also assumed that certain cost-of-living adjustments, based on the CPI, will be made in future years. Retirement benefits are payable monthly for life. Death, disability and spousal benefits are also available.

**Note 16. Retirement Systems  
(continued)**

**Contributions and Vesting**

TRS is funded by member and employer contributions as adopted and amended by the Board of Trustees.

Contributions required by the annual actuarial valuation are as follows:

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Member	<u>5.00%</u>
Employer:	
Normal	8.34%
Unfunded Accrued Liability	3.46%
Expenses	<u>.15%</u>
	<u>11.95%</u>

---

Under the SRBP, employer contributions of \$93,000 and retirement payments of \$93,000 are reflected in the Statement of Changes in Plan Net Assets for the year ended June 30, 1999.

Members become fully vested after ten (10) years of service. If a member terminates with less than ten (10) years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest.

The employer contributions at a rate of 2.35% are expected to liquidate the unfunded accrued liability over approximately eight (8) years on the assumption that the aggregate amount of unfunded accrued liability contribution will increase by three and one-quarter percent (3.25%) each year.

# State of Georgia

## Notes to the Financial Statements June 30, 1999

### Note 17. Nonmonetary Transactions

#### Primary Government

The State of Georgia received donated goods for its use and for distribution to other qualifying organizations outside

the State reporting entity under the following programs:

Program	Value of Inventory Received	Value of Inventory Reported at June 30, 1999
Agriculture, U. S. Department of Food Distribution Program	\$ 28,681,655	\$ 56,286
Temporary Emergency Food Assistance Program	\$ 2,369,543	\$ 2,078,290
Health and Human Services, U.S. Department of Childhood Immunization Grant	\$ 7,844,136	\$ -
HIV Prevention Activities - Health Department Based	\$ 22,000	\$ -
Preventive Health and Health Services Block Grant	\$ 284,659	\$ -
Preventive Health Services - Sexually Transmitted Disease Control Grants	\$ 632,615	\$ -
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	\$ 125,804	\$ -

The value of donated commodities received and distributed is not reported as revenues and expenses on the combined statement of revenues, expenditures and changes in fund balances. Information is not available to determine the items used within the State and the items distributed to (or held for) other qualifying organizations outside the State reporting entity.

In addition, the Georgia Department of Administrative Services operates the Donation of Federal Surplus Personal Property program for the purpose of distributing surplus properties made available by the General Services Administration to eligible institutions, organizations and agencies. The value of surplus property received and distributed is not reported as revenues and expenses on the combined statement of revenues, expenditures and changes in fund balances, and the inventory on hand at June 30, 1999, is not reported on the combined balance

sheet. The changes in Federal surplus personal property inventory during the fiscal year ended June 30, 1999, were as follows:

Balance July 1, 1998	\$ 9,758,530
Additions Property Received	<u>10,505,036</u>
	\$ 20,263,566
Deductions Property Donated and Other Distributions	<u>15,490,430</u>
Balance June 30, 1999	<u>\$ 4,773,136</u>

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### Note 17. Nonmonetary Transactions (continued)

The Federal government provides food stamps to low-income households. The amount of food stamps a household receives depends on the household's size and financial circumstances. The Georgia Department of Human Resources is responsible for determining eligibility for participation in the food stamp program within the State. During the year under review, the total value of food stamps distributed as approved by the Department was \$525,493,938.

### Significant Discretely Presented Component Units

#### *Governmental Fund Types*

Donated support of volunteer services and other sources totaling \$444,835 was provided to the Georgia Public Telecommunications Commission during the year ended June 30, 1999. The value of these services and other sources are not reported as revenue on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances.

### Note 18. Postemployment Benefits

In addition to the pension benefits described in Note 16, the State of Georgia provides postretirement health care benefits through the State Health Benefit Plan to retirees pursuant to Title 45, Chapter 18 of the OCGA. An individual eligible for these benefits must have been a full time employee at the time of retirement of either the State of Georgia or a county social service agency and must be receiving monthly retirement benefits from either the Employees' Retirement System of Georgia or a county employees' retirement system. The State Health Benefit Plan is a public entity risk pool funded by employee and employer contributions. Employees and retirees subject to the Plan contribute amounts determined by the State Personnel Board for various health insurance plans. The various agencies of the State contribute to the health insurance fund based upon amounts recommended by the State Personnel Board and set forth in the Appropriations Act. The State Health Benefit Plan is funded on a "pay-as-you-go" basis. Expenses of the Plan include provisions for incurred but not reported claims. As

of June 30, 1999, there were 58,770 employees who had retired and were receiving postretirement health care benefits through the State Health Benefit Plan. For the fiscal year ended June 30, 1999, the State recognized expenditures of \$219,364,544, which was net of retiree contributions of \$52,077,988.

Pursuant to the general powers conferred by OCGA Section 20-3-31, the Board of Regents of the University System of Georgia (college and university funds) has established group health and life insurance programs for regular employees of the University System. It is the policy of the Board of Regents to permit employees of the University System eligible for retirement or that become permanently and totally disabled to continue as members of the group health and life insurance programs. Employees who are eligible for retirement or disability under the criteria established by the Teachers Retirement System and who have at least ten years of service with the University System are eligible for these postemployment health and life insurance benefits. The University System pays the employer portion for group insurance for affected individuals. For the fiscal year ended June 30, 1999, the University System recognized expenditures of \$19,663,719, which was net of participant contributions of \$5,412,097.

### Note 19. Fund Deficits

The following organizations had deficit balances at June 30, 1999.

#### **Primary Government**

##### *Enterprise Fund*

At June 30, 1999, the Fund had an unreserved retained earnings deficit of \$56,855,793.

##### *Internal Service Funds*

*Liability Self-Insurance Reserve Fund* - At June 30, 1999, the Fund had an unreserved retained earnings deficit of \$15,256,396.

*Unemployment Compensation Fund* - At June 30, 1999, the Fund had an unreserved retained earnings deficit of \$776,738.

*Workers' Compensation Fund* - At June 30, 1999, the Fund had an unreserved retained earnings deficit of \$125,319,548.

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# State of Georgia

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## Notes to the Financial Statements June 30, 1999

### **Note 19. Fund Deficits (continued)**

#### **Significant Discretely Presented Component Units**

##### *Governmental Fund Types*

*Georgia Public Telecommunications Commission* - At June 30, 1999, the Commission had an unreserved, undesignated fund balance deficit of \$4,577,068.

##### *Proprietary Fund Types*

*Lake Lanier Islands Development Authority* - At June 30, 1999, the Authority had an unreserved retained earnings deficit of \$17,333,670.

*Lottery Corporation* - At June 30, 1999, the Authority had a reserved retained earnings deficit of \$2,361,000.

*North Georgia Mountains Authority* - At June 30, 1999, the Authority had an unreserved retained earnings deficit of \$504,832.

### **Note 20. Major Discretely Presented Component Unit Condensed Financial Statements**

The condensed financial statements of the major discretely presented component units of the State of Georgia reporting entity are presented below. "Major" component units, for purposes of this presentation, have been determined by giving consideration to each component units' significance relative to the other component units and the nature and significance of its relationship to the primary government. Condensed financial statements for all nonmajor discretely presented component units are presented in the aggregate.

# State of Georgia

Notes to the Financial Statements  
June 30, 1999

## Note 20. Major Discretely Presented Component Unit Condensed Financial Statements (continued)

	Governmental Fund Types		
	Georgia Education Authority (Schools)	Georgia Public Telecommunica- tions Commission	Total
<b>ASSETS AND OTHER DEBITS</b>			
Other Assets	\$ 632,656	\$ 1,899,737	\$ 2,532,393
Property, Plant and Equipment (Net)	—	88,820,882	88,820,882
Amount to be Provided for Retirement of General Long-Term Debt	—	11,645,754	11,645,754
Total Assets and Other Debits	<u>\$ 632,656</u>	<u>\$ 102,366,373</u>	<u>\$ 102,999,029</u>
<b>LIABILITIES</b>			
Due to Primary Government	\$ —	\$ 144,725	\$ 144,725
Other Liabilities	—	5,863,984	5,863,984
Bonds and Other Long-Term Liabilities	—	11,645,754	11,645,754
Total Liabilities	<u>\$ 0</u>	<u>\$ 17,654,463</u>	<u>\$ 17,654,463</u>
<b>EQUITY AND OTHER CREDITS</b>			
Investment in Fixed Assets	\$ —	\$ 88,820,882	\$ 88,820,882
Fund Balances			
Reserved	—	378,096	378,096
Unreserved	632,656	(4,487,068)	(3,854,412)
Total Equity and Other Credits	<u>\$ 632,656</u>	<u>\$ 84,711,910</u>	<u>\$ 85,344,566</u>
Total Liabilities, Equity and Other Credits	<u>\$ 632,656</u>	<u>\$ 102,366,373</u>	<u>\$ 102,999,029</u>
<b>REVENUES</b>	<u>\$ 31,475</u>	<u>\$ 13,445,549</u>	<u>\$ 13,477,024</u>
<b>EXPENDITURES</b>	<u>\$ 0</u>	<u>\$ 31,998,361</u>	<u>\$ 31,998,361</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 31,475	\$ (18,552,812)	\$ (18,521,337)
Operating Transfers from Primary Government/Capital Leases	—	18,783,970	18,783,970
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ 31,475	\$ 231,158	\$ 262,633
FUND BALANCES, JULY 1	601,181	(4,340,130)	(3,738,949)
FUND BALANCES, JUNE 30	<u>\$ 632,656</u>	<u>\$ (4,108,972)</u>	<u>\$ (3,476,316)</u>

# State of Georgia

Notes to the Financial Statements  
June 30, 1999

## Note 20. Major Discretely Presented Component Unit Condensed Financial Statements (continued)

	Proprietary Fund Types			
	Environmental Facilities Authority	Housing and Finance Authority	Lottery Corporation	Ports Authority
<b>ASSETS</b>				
Due from Primary Government	\$ 1,668,657	\$ —	\$ —	\$ —
Other Assets	856,274,304	77,017,537	41,109,489	42,707,831
Restricted Assets	—	792,951,280	300,741,000	1,868,832
Property, Plant and Equipment (Net)	<u>295,942</u>	<u>5,410,078</u>	<u>2,686,000</u>	<u>358,962,000</u>
Total Assets	<u>\$ 858,238,903</u>	<u>\$ 875,378,895</u>	<u>\$ 344,536,489</u>	<u>\$ 403,538,663</u>
<b>LIABILITIES</b>				
Due to Primary Government	\$ 2,666	\$ 1,468	\$ 24,129	\$ 61,577
Other Liabilities	21,894,985	24,051,981	42,467,360	15,162,423
Bonds and Other Long-Term Liabilities	<u>82,766,845</u>	<u>769,765,901</u>	<u>303,017,000</u>	<u>28,559,000</u>
Total Liabilities	<u>\$ 104,664,496</u>	<u>\$ 793,819,350</u>	<u>\$ 345,508,489</u>	<u>\$ 43,783,000</u>
<b>EQUITY AND OTHER CREDITS</b>				
Investment in Fixed Assets	\$ 295,942	\$ —	\$ —	\$ —
Contributed Capital	583,825,504	—	—	246,576,794
Retained Earnings				
Reserved	9,670,745	30,518,174	(2,361,000)	—
Unreserved	146,114,295	49,109,050	1,389,000	113,178,869
Fund Balances				
Reserved	13,182,579	—	—	—
Unreserved	<u>485,342</u>	<u>1,932,321</u>	<u>—</u>	<u>—</u>
Total Equity and Other Credits	<u>\$ 753,574,407</u>	<u>\$ 81,559,545</u>	<u>\$ (972,000)</u>	<u>\$ 359,755,663</u>
Total Liabilities, Equity and Other Credits	<u>\$ 858,238,903</u>	<u>\$ 875,378,895</u>	<u>\$ 344,536,489</u>	<u>\$ 403,538,663</u>
<b>OPERATING REVENUES</b>				
Sales and Services	\$ —	\$ 5,067,287	\$ 1,952,989,000	\$ 89,180,000
Operating Grants	—	—	—	—
Taxes	—	—	—	—
Other	<u>19,829,602</u>	<u>48,143,247</u>	<u>—</u>	<u>—</u>
Total Operating Revenues	<u>\$ 19,829,602</u>	<u>\$ 53,210,534</u>	<u>\$ 1,952,989,000</u>	<u>\$ 89,180,000</u>
<b>OPERATING EXPENSES</b>				
Depreciation	\$ —	\$ 573,790	\$ 1,338,000	\$ 15,479,000
Other	<u>767,282</u>	<u>61,349,612</u>	<u>1,308,336,000</u>	<u>63,267,000</u>
Total Operating Expenses	<u>\$ 767,282</u>	<u>\$ 61,923,402</u>	<u>\$ 1,309,674,000</u>	<u>\$ 78,746,000</u>
OPERATING INCOME (LOSS)	\$ 19,062,320	\$ (8,712,868)	\$ 643,315,000	\$ 10,434,000
Nonoperating Revenues/Expenses (Net)	7,730,067	10,806,243	(9,913,000)	(5,844,904)
Operating Transfers to/from Primary Government	<u>2,808,227</u>	<u>—</u>	<u>(646,905,000)</u>	<u>—</u>
NET INCOME (LOSS)	<u>\$ 29,600,614</u>	<u>\$ 2,093,375</u>	<u>\$ (13,503,000)</u>	<u>\$ 4,589,096</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES FROM GOVERNMENTAL OPERATIONS AND EXPENDABLE TRUST FUNDS	(2,234,323)	382,984	—	—
FUND EQUITY, JULY 1	668,931,953	79,716,454	12,531,000	358,286,567
Adjustments (Net)	—	—	—	—
Current Capital Contributions (Net)	56,980,221	—	—	(3,120,000)
Transfer of Equity to Primary Government	—	(633,268)	—	—
Increase (Decrease) in Inventories	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND EQUITY, JUNE 30	<u>\$ 753,278,465</u>	<u>\$ 81,559,545</u>	<u>\$ (972,000)</u>	<u>\$ 359,755,663</u>

# State of Georgia

Notes to the Financial Statements  
June 30, 1999

Student Finance Authority	Geo L. Smith II Georgia World Congress Center Authority	All Other Discretely Presented Proprietary Fund Types	Total
\$ 384,376	\$ —	\$ 247,998	\$ 2,301,031
360,917,595	44,583,684	252,658,309	1,675,268,749
—	51,168,418	24,539,645	1,171,269,175
<u>2,803,484</u>	<u>239,237,770</u>	<u>214,069,168</u>	<u>823,464,442</u>
<u>\$ 364,105,455</u>	<u>\$ 334,989,872</u>	<u>\$ 491,515,120</u>	<u>\$ 3,672,303,397</u>
\$ —	\$ 23,905	\$ 722,206	\$ 835,951
284,785,360	49,761,852	47,048,079	485,172,040
31,500,000	191,650,732	125,795,767	1,533,055,245
<u>\$ 316,285,360</u>	<u>\$ 241,436,489</u>	<u>\$ 173,566,052</u>	<u>\$ 2,019,063,236</u>
\$ —	\$ —	\$ —	\$ 295,942
—	71,353,860	143,559,305	1,045,315,463
26,470,501	206,867	24,003,292	88,508,579
21,349,594	21,992,656	150,386,471	503,519,935
—	—	—	13,182,579
—	—	—	2,417,663
<u>\$ 47,820,095</u>	<u>\$ 93,553,383</u>	<u>\$ 317,949,068</u>	<u>\$ 1,653,240,161</u>
<u>\$ 364,105,455</u>	<u>\$ 334,989,872</u>	<u>\$ 491,515,120</u>	<u>\$ 3,672,303,397</u>
\$ 2,029,368	\$ 22,853,389	\$ 54,573,904	\$ 2,126,692,948
—	—	25,644,011	25,644,011
—	—	1,650,694	1,650,694
6,127,488	37,140,044	46,466,232	157,706,613
<u>\$ 8,156,856</u>	<u>\$ 59,993,433</u>	<u>\$ 128,334,841</u>	<u>\$ 2,311,694,266</u>
\$ 301,581	\$ 8,785,709	\$ 7,372,872	\$ 33,850,952
47,396,293	49,976,709	103,403,483	1,634,496,379
<u>\$ 47,697,874</u>	<u>\$ 58,762,418</u>	<u>\$ 110,776,355</u>	<u>\$ 1,668,347,331</u>
\$ (39,541,018)	\$ 1,231,015	\$ 17,558,486	\$ 643,346,935
278,099	7,694,425	(1,117,959)	9,632,971
39,804,450	—	5,222,040	(599,070,283)
<u>\$ 541,531</u>	<u>\$ 8,925,440</u>	<u>\$ 21,662,567</u>	<u>\$ 53,909,623</u>
—	—	7,576	(1,843,763)
47,278,564	87,048,133	314,252,241	1,568,044,912
—	(2,406,603)	—	(2,406,603)
—	—	(18,131,574)	35,728,647
—	—	—	(633,268)
—	(13,587)	158,258	144,671
<u>\$ 47,820,095</u>	<u>\$ 93,553,383</u>	<u>\$ 317,949,068</u>	<u>\$ 1,652,944,219</u>

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# State of Georgia

Required Supplementary Information  
June 30, 1999

## Retirement Systems - Required Supplementary Schedules

### Primary Government

#### *Schedule of Funding Progress*

(Thousands of Dollars)

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets (a)</u>	<u>Actuarial Accrued Liability ("AAL") - Entry Age (b)</u>	<u>Unfunded AAL/(Funding Excess) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>Unfunded AAL/(Funding Excess) as a Percentage of Covered Payroll [(b - a)/c]</u>
ERS	6/30/96	\$ 6,140,080	\$ 7,243,105	\$ 1,103,025	84.8%	\$ 1,968,714	56.0 %
	6/30/97	7,432,306	8,159,345	727,039	91.1%	1,977,928	36.8 %
	6/30/98	8,613,575	9,093,758	480,183	94.7%	2,055,966	23.4 %
GJRS	7/1/98	\$ 160,171	\$ 117,771	\$ (42,400)	136.0%	\$ 26,226	(161.7)%
LRS (1)	6/30/95	\$ 13,137	\$ 13,860	\$ 723	94.8%	\$ 2,186	33.1 %
	6/30/97	18,197	18,086	(111)	100.6%	2,340	(4.7)%
	6/30/98	20,375	19,272	(1,103)	105.7%	2,363	(46.7)%

Information is shown only for the plans and years available in accordance with the parameters of GASB 25. Additional information will be added as data become available.

(1) Actuarial valuations were performed biennially prior to July 1, 1998

#### *Schedule of Employer Contributions*

(Thousands of Dollars)

	<u>Year Ended June 30</u>	<u>State Annual Required Contribution</u>	<u>Percentage Contributed</u>
ERS	1996	\$ 271,342	100.0%
	1997	282,249	100.0%
	1998	286,794	100.0%
LRS	1996	\$ 164	100.0%
	1997	159	100.0%
	1998	164	126.0%

Information is shown only for the plans and years available in accordance with the parameters of GASB 25. Additional information will be added as data become available.

# State of Georgia

## Required Supplementary Information June 30, 1999

### Retirement Systems - Required Supplementary Schedules (continued)

#### *Notes to Required Supplementary Schedules*

##### *Schedule of Funding Progress*

The actuarial value of assets recognizes a portion of the difference between the fair value of assets and the expected actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between fair value and expected actuarial value.

##### *Schedule of Employer Contributions*

The required employer contributions and percent of those contributions actually made are presented in the schedule. As the GJRS was created beginning July 1, 1998, no employer contribution trend information is available.

##### *Actuarial Assumptions*

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in the following table:

	ERS	GJRS	LRS
Actuarial Valuation Date	June 30, 1998	July 1, 1998	June 30, 1998
Actuarial Cost Method	Entry Age	Entry Age	Unit Credit
Amortization Method	Level percentage of pay, open	Level percentage of pay, open	Level dollar, open
Remaining Amortization Period	9 years	14 years	40 years
Asset Valuation Method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Actuarial Assumptions:			
Investment Rate of Return	7.0% (1)	7.0% (1)	7.0% (1)
Projected Salary Increases	5.2% - 9.0% (1)	5.5% (1)	n/a
Post-Retirement Cost-of-Living Adjustment	None	None	3% annually

(1) Includes inflation rate of 3.50%

# State of Georgia

Required Supplementary Information  
June 30, 1999

## Retirement Systems - Required Supplementary Schedules (continued)

### Significant Discretely Presented Component Units

#### *Schedule of Funding Progress*

(Thousands of Dollars)

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets (a)</u>	<u>Actuarial Accrued Liability ("AAL") - Entry Age (b)</u>	<u>Unfunded AAL/(Funding Excess) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>Unfunded AAL/(Funding Excess) as a Percentage of Covered Payroll [(b - a)/c]</u>
TRS	6/30/95	\$16,335,944	\$19,771,740	\$3,435,796	82.6%	\$4,712,292	72.9%
	6/30/96	18,750,568	22,163,755	3,413,187	84.6%	5,086,924	67.1%
	6/30/97	22,496,125	24,895,047	2,398,922	90.4%	5,467,905	43.9%
	6/30/98	27,894,985	28,798,984	903,999	96.9%	5,951,898	15.2%

Information is shown only for the plans and years available in accordance with the parameters of GASB 25. Additional information will be added as data become available.

#### *Schedule of Employer Contributions*

(Thousands of Dollars)

	<u>Year Ended June 30</u>	<u>State Annual Required Contribution</u>	<u>Percentage Contributed</u>
TRS	1991	\$ 452,522	100.0%
	1992	454,138	100.0%
	1993	485,121	100.0%
	1994	512,429	100.0%
	1995	556,522	100.0%
	1996	600,766	100.0%
	1997	652,928	100.0%
	1998	710,409	100.0%

Information is shown only for the plans and years available in accordance with the parameters of GASB 25. Additional information will be added as data become available.

**Retirement Systems - Required Supplementary Schedules (continued)**

*Notes to Required Supplementary Schedules*

*Schedule of Funding Progress*

The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value. The actuarial value of assets is limited to a range between 80% and 120% of market value.

*Schedule of Employee Contributions*

The required employer contributions and percent of those contributions actually made are presented in the schedule.

*Actuarial Assumptions*

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in the following table:

Actuarial Valuation Date	June 30, 1998
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of pay, open
Remaining Amortization Period	8 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases	3.25% - 6.00%
Inflation Rate	3.25%
Post-Retirement Cost-of-Living Adjustment	3% annually

# ———— Combining **S**tatements and **S**chedules —————

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Primary Government  
Capital Projects Funds

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# State of Georgia

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## Primary Government - Capital Projects Funds For the Fiscal Year Ended June 30, 1999

**Capital Projects Funds** account for the acquisition or construction of major governmental general fixed assets. The State's capital projects funds are described below:

**Georgia Building Authority (Hospital)** accounts for the acquisition, construction, repair, maintenance, improvement, operation and management of self-liquidating projects on property owned by the authority. These projects include hospitals, health care facilities, dormitories and housing accommodations for patients, officers and employees of institutions controlled by state agencies.

**Georgia Building Authority (Markets)** accounts for the construction and renovation of farmers markets and related facilities.

**Georgia Building Authority (Penal)** accounts for the acquisition, construction, repair, maintenance, improvement, operation and management of buildings, facilities, equipment and services for the State penal system.

**Georgia Education Authority (University)** accounts for the construction and improvement of buildings and facilities of institutions under the authority of the Board of Regents of the University System of Georgia.

**Georgia State Financing and Investment Commission** accounts for the construction of projects for state agencies financed through the issuance of public debt, including educational facilities for county and independent school systems.

# State of Georgia

## Primary Government - Capital Projects Funds Combining Balance Sheet June 30, 1999

	Georgia Building Authority (Hospital)	Georgia Building Authority (Markets)
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 828,420	\$ 65,956
Investments	2,478,558	182,632
Receivables (Net of Allowances for Uncollectibles)		
Interest and Dividends	—	—
Other	—	—
Interfund Receivables	—	—
Advances to Component Units	—	—
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 3,306,978</u>	<u>\$ 248,588</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Cash Overdraft	\$ —	\$ —
Accounts Payable and Other Accruals	—	—
Contracts Payable	—	—
Due to Component Units	—	—
Deferred Revenue	—	—
Other Liabilities	—	—
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:		
Reserved for Advances	\$ —	\$ —
Reserved for Other Specific Purposes	—	—
Unreserved, Designated		
Designated for Future Capital Outlay	—	—
Unreserved, Undesignated	3,306,978	248,588
	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>\$ 3,306,978</u>	<u>\$ 248,588</u>
Total Liabilities and Fund Balances	<u>\$ 3,306,978</u>	<u>\$ 248,588</u>

Georgia Building Authority (Penal)	Georgia Education Authority (University)	Georgia State Financing and Investment Commission	Total
\$ 395,683	\$ 669,033	\$ —	\$ 1,959,092
1,183,045	1,886,708	1,069,793,139	1,075,524,082
—	—	15,277,924	15,277,924
—	138,850	—	138,850
—	—	1,984,169	1,984,169
—	—	12,647,162	12,647,162
<u>\$ 1,578,728</u>	<u>\$ 2,694,591</u>	<u>\$ 1,099,702,394</u>	<u>\$ 1,107,531,279</u>
\$ —	\$ —	\$ 19,616,849	\$ 19,616,849
—	—	30,003,622	30,003,622
—	—	20,610,420	20,610,420
—	—	247,993	247,993
—	86,457	—	86,457
—	—	25,875,668	25,875,668
<u>\$ 0</u>	<u>\$ 86,457</u>	<u>\$ 96,354,552</u>	<u>\$ 96,441,009</u>
\$ —	\$ —	\$ 12,647,162	\$ 12,647,162
1,399,268	—	—	1,399,268
—	—	990,700,680	990,700,680
179,460	2,608,134	—	6,343,160
<u>\$ 1,578,728</u>	<u>\$ 2,608,134</u>	<u>\$ 1,003,347,842</u>	<u>\$ 1,011,090,270</u>
<u>\$ 1,578,728</u>	<u>\$ 2,694,591</u>	<u>\$ 1,099,702,394</u>	<u>\$ 1,107,531,279</u>

# State of Georgia

**Primary Government - Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 1999**

	Georgia Building Authority (Hospital)	Georgia Building Authority (Markets)
	<u>                    </u>	<u>                    </u>
Revenues:		
Interest and Other Investment Income	\$ 131,874	\$ 12,519
Rents and Royalties	—	—
Other	—	—
	<u>                    </u>	<u>                    </u>
Total Revenues	<u>\$ 131,874</u>	<u>\$ 12,519</u>
Expenditures:		
General Government	\$ 4,132	\$ 1,790
Capital Outlay	—	30,763
Debt Service		
Principal	—	—
Interest	—	—
Other Debt Service Charges	—	—
	<u>                    </u>	<u>                    </u>
Total Expenditures	<u>\$ 4,132</u>	<u>\$ 32,553</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 127,742</u>	<u>\$ (20,034)</u>
Other Financing Sources (Uses):		
Operating Transfers Out	\$ —	\$ —
Proceeds of General Fixed Asset Dispositions	2,900,000	—
General Obligation Bond Proceeds	—	—
	<u>                    </u>	<u>                    </u>
Total Other Financing Sources (Uses)	<u>\$ 2,900,000</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 3,027,742</u>	<u>\$ (20,034)</u>
Fund Balances, July 1	279,236	268,622
Residual Equity Transfers from Component Units	—	—
Residual Equity Transfers Out	—	—
Residual Equity Transfers to Component Units	—	—
	<u>                    </u>	<u>                    </u>
Fund Balances, June 30	<u>\$ 3,306,978</u>	<u>\$ 248,588</u>

Georgia Building Authority (Penal)	Georgia Education Authority (University)	Georgia State Financing and Investment Commission	Total
\$ 79,646	\$ 275,739	\$ 82,039,872	\$ 82,539,650
—	49,423	—	49,423
—	91,677	149,724	241,401
<u>\$ 79,646</u>	<u>\$ 416,839</u>	<u>\$ 82,189,596</u>	<u>\$ 82,830,474</u>
\$ 4,784	\$ 25,544	\$ —	\$ 36,250
52,996	—	392,235,822	392,319,581
—	49,423	—	49,423
—	155,898	—	155,898
—	—	2,035,473	2,035,473
<u>\$ 57,780</u>	<u>\$ 230,865</u>	<u>\$ 394,271,295</u>	<u>\$ 394,596,625</u>
<u>\$ 21,866</u>	<u>\$ 185,974</u>	<u>\$ (312,081,699)</u>	<u>\$ (311,766,151)</u>
\$ —	\$ —	\$ (280,866,607)	\$ (280,866,607)
—	—	—	2,900,000
—	—	720,607,460	720,607,460
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 439,740,853</u>	<u>\$ 442,640,853</u>
\$ 21,866	\$ 185,974	\$ 127,659,154	\$ 130,874,702
1,556,862	2,422,160	907,629,259	912,156,139
—	—	516,575	516,575
—	—	(175,983)	(175,983)
—	—	(32,281,163)	(32,281,163)
<u>\$ 1,578,728</u>	<u>\$ 2,608,134</u>	<u>\$ 1,003,347,842</u>	<u>\$ 1,011,090,270</u>

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Primary Government  
Internal Service Funds

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# State of Georgia

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## Primary Government - Internal Service Funds For the Fiscal Year Ended June 30, 1999

**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, surplus property, printing, telecommunications, motor pool and building space management.

The **Georgia Building Authority** is primarily responsible for constructing and maintaining State office buildings, maintaining the grounds within the State Capitol complex, maintaining the Governor's Mansion and operating parking facilities.

The **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 **Merit System of Personnel Administration** provides a career service to the classified employees in the executive branch based on the principles of merit, equal opportunity and freedom from political influence.

The **Agency for Removal of Hazardous Materials** administers a program for the abatement and removal of asbestos and other hazardous materials from the premises of the State, state authorities, counties, municipal corporations, local and independent school systems, and other units and authorities of government.

The **Risk Management** column is an accumulation of the funds used to account for self-insurance programs established by individual agreement, statute or administrative action:

The **Georgia State Indemnification Commission** 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 **Hazard and Insurance Reserve 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 marina insurance.

The **Liability Self-Insurance Reserve 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 **State Employees' Assurance Department** is used to account for the accumulation of funds for the purpose of providing survivors' benefits for eligible members of the Employees' Retirement System.

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# State of Georgia

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## Primary Government - Internal Service Funds For the Fiscal Year Ended June 30, 1999

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.

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# State of Georgia

## Primary Government - Internal Service Funds Combining Balance Sheet June 30, 1999

	Administrative Services, Department of	Building Authority, Georgia	Correctional Industries Administration	Merit System of Personnel Administration
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 35,580,926	\$ 3,169,035	\$ 1,873,861	\$ 1,472,427
Receivables (Net of Allowances for Uncollectibles)				
Other				
Accounts	913,701	2,453,479	2,236,150	235,345
Miscellaneous	—	—	2,013	—
Due from Other Funds	17,263,848	—	—	7,798
Due from Component Units	269,350	—	—	—
Inventories	4,356,021	316,472	9,852,885	—
Prepaid Items	461,304	145,032	66,600	79,924
Long-Term Assets:				
Investments	1,393,454	7,269,435	5,297,490	—
Fixed Assets:				
Land and Buildings	9,060,426	221,077,050	9,197,312	—
Machinery and Equipment	162,917,464	11,590,953	13,877,540	1,648,708
Accumulated Depreciation	—	—	(13,104,836)	—
Total Assets	<u>\$ 232,216,494</u>	<u>\$ 246,021,456</u>	<u>\$ 29,299,015</u>	<u>\$ 3,444,202</u>
 <b>Liabilities and Fund Equity</b>				
Liabilities				
Current Liabilities:				
Accounts Payable and Other Accruals	\$ 23,234,252	\$ 648,060	\$ 1,115,022	\$ 623,179
Compensated Absences Payable	5,340,245	1,840,029	712,657	630,609
Claims and Judgments Payable	—	—	—	—
Contracts Payable	13,474,369	594,800	—	1,047,172
Salaries/Withholdings Payable	1,034	12,268	259	163
Due to Other Funds	8,313	330,127	17,275	—
Due to Component Units	5	—	—	—
Long-Term Liabilities:				
Capital Leases/Installment Purchases Payable	8,673,964	—	174,569	22,682
Deposits and Overpayments	—	969,978	—	—
Long-Term Debt Payable (Net of Unamortized Discounts)				
Notes and Loans Payable	—	—	850,000	—
Total Liabilities	<u>\$ 50,732,182</u>	<u>\$ 4,395,262</u>	<u>\$ 2,869,782</u>	<u>\$ 2,323,805</u>
 <b>Fund Equity</b>				
Contributed Capital				
State of Georgia	\$ 53,384,666	\$ 198,398,103	\$ 1,145,948	\$ —
Other	—	21,837,424	—	—
Total Contributed Capital	<u>\$ 53,384,666</u>	<u>\$ 220,235,527</u>	<u>\$ 1,145,948</u>	<u>\$ 0</u>
 Retained Earnings				
Reserved	\$ 23,733,525	\$ —	\$ —	\$ 6,802
Unreserved	104,366,121	21,390,667	25,283,285	1,113,595
Total Retained Earnings	<u>\$ 128,099,646</u>	<u>\$ 21,390,667</u>	<u>\$ 25,283,285</u>	<u>\$ 1,120,397</u>
Total Fund Equity	<u>\$ 181,484,312</u>	<u>\$ 241,626,194</u>	<u>\$ 26,429,233</u>	<u>\$ 1,120,397</u>
Total Liabilities and Fund Equity	<u>\$ 232,216,494</u>	<u>\$ 246,021,456</u>	<u>\$ 29,299,015</u>	<u>\$ 3,444,202</u>

Removal of Hazardous Materials, Agency for	Risk Management	Total Before Eliminations	Eliminations	Total
\$ 78,262	\$ 14,238,279	\$ 56,412,790	\$ —	\$ 56,412,790
287,925	—	6,126,600	—	6,126,600
9,687	1,502,912	1,514,612	—	1,514,612
—	1,146,000	18,417,646	(1,252,213)	17,165,433
—	—	269,350	—	269,350
21,606	—	14,546,984	—	14,546,984
—	—	752,860	—	752,860
—	1,086,993,929	1,100,954,308	—	1,100,954,308
—	—	239,334,788	—	239,334,788
1,112,058	—	191,146,723	—	191,146,723
—	—	(13,104,836)	—	(13,104,836)
<u>\$ 1,509,538</u>	<u>\$ 1,103,881,120</u>	<u>\$ 1,616,371,825</u>	<u>\$ (1,252,213)</u>	<u>\$ 1,615,119,612</u>
\$ 364,467	\$ —	\$ 25,984,980	\$ —	\$ 25,984,980
—	—	8,523,540	—	8,523,540
—	431,717,753	431,717,753	—	431,717,753
—	—	15,116,341	—	15,116,341
—	—	13,724	—	13,724
—	897,013	1,252,728	(1,252,213)	515
—	—	5	—	5
—	—	8,871,215	—	8,871,215
—	—	969,978	—	969,978
—	—	850,000	—	850,000
<u>\$ 364,467</u>	<u>\$ 432,614,766</u>	<u>\$ 493,300,264</u>	<u>\$ (1,252,213)</u>	<u>\$ 492,048,051</u>
\$ —	\$ —	\$ 252,928,717	\$ —	\$ 252,928,717
—	—	21,837,424	—	21,837,424
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 274,766,141</u>	<u>\$ 0</u>	<u>\$ 274,766,141</u>
\$ 21,606	\$ 790,465,000	\$ 814,226,933	\$ —	\$ 814,226,933
1,123,465	(119,198,646)	34,078,487	—	34,078,487
<u>\$ 1,145,071</u>	<u>\$ 671,266,354</u>	<u>\$ 848,305,420</u>	<u>\$ 0</u>	<u>\$ 848,305,420</u>
<u>\$ 1,145,071</u>	<u>\$ 671,266,354</u>	<u>\$ 1,123,071,561</u>	<u>\$ 0</u>	<u>\$ 1,123,071,561</u>
<u>\$ 1,509,538</u>	<u>\$ 1,103,881,120</u>	<u>\$ 1,616,371,825</u>	<u>\$ (1,252,213)</u>	<u>\$ 1,615,119,612</u>

# State of Georgia

## Primary Government - Internal Service Funds Risk Management Combining Balance Sheet June 30, 1999

	<u>Georgia State Indemnification Commission</u>	<u>Hazard and Insurance Reserve Fund</u>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 52,103	\$ 1,048,786
Receivables (Net of Allowances for Uncollectibles)		
Other		
Miscellaneous	—	11,314
Due from Other Funds	—	—
Long-Term Assets:		
Investments	<u>1,089,314</u>	<u>21,926,622</u>
 Total Assets	 <u>\$ 1,141,417</u>	 <u>\$ 22,986,722</u>
<b>Liabilities and Equity</b>		
Liabilities		
Current Liabilities:		
Claims and Judgments Payable	\$ 307,083	\$ 1,571,684
Due to Other Funds	<u>—</u>	<u>95,336</u>
 Total Liabilities	 <u>\$ 307,083</u>	 <u>\$ 1,667,020</u>
Equity		
Retained Earnings		
Reserved	\$ —	\$ —
Unreserved	<u>834,334</u>	<u>21,319,702</u>
 Total Equity	 <u>\$ 834,334</u>	 <u>\$ 21,319,702</u>
 Total Liabilities and Equity	 <u>\$ 1,141,417</u>	 <u>\$ 22,986,722</u>

<u>Liability Self-Insurance Reserve Fund</u>	<u>State Employees' Assurance Department</u>	<u>Unemployment Compensation Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
\$ 9,347,684	\$ —	\$ 133,376	\$ 3,656,330	\$ 14,238,279
141,596	—	—	1,350,002	1,502,912
—	1,146,000	—	—	1,146,000
<u>195,428,868</u>	<u>789,319,000</u>	<u>2,788,473</u>	<u>76,441,652</u>	<u>1,086,993,929</u>
<u>\$ 204,918,148</u>	<u>\$ 790,465,000</u>	<u>\$ 2,921,849</u>	<u>\$ 81,447,984</u>	<u>\$ 1,103,881,120</u>
\$ 220,003,986	\$ —	\$ 3,587,000	\$ 206,248,000	\$ 431,717,753
170,558	—	111,587	519,532	897,013
<u>\$ 220,174,544</u>	<u>\$ 0</u>	<u>\$ 3,698,587</u>	<u>\$ 206,767,532</u>	<u>\$ 432,614,766</u>
\$ —	\$ 790,465,000	\$ —	\$ —	\$ 790,465,000
<u>(15,256,396)</u>	<u>—</u>	<u>(776,738)</u>	<u>(125,319,548)</u>	<u>(119,198,646)</u>
<u>\$ (15,256,396)</u>	<u>\$ 790,465,000</u>	<u>\$ (776,738)</u>	<u>\$ (125,319,548)</u>	<u>\$ 671,266,354</u>
<u>\$ 204,918,148</u>	<u>\$ 790,465,000</u>	<u>\$ 2,921,849</u>	<u>\$ 81,447,984</u>	<u>\$ 1,103,881,120</u>

# State of Georgia

## Primary Government - Internal Service Funds Combining Statement of Revenues, Expenses and Changes in Fund Equity For the Fiscal Year Ended June 30, 1999

	<u>Administrative Services, Department of</u>	<u>Building Authority, Georgia</u>	<u>Correctional Industries Administration</u>
Operating Revenues:			
Contributions	\$ —	\$ —	\$ —
Insurance Recoveries	—	—	—
Interest and Other Investment Income	—	—	—
Rents and Royalties	—	30,481,660	—
Sales and Services	255,297,521	11,114,208	30,513,587
Other	<u>1,523,629</u>	<u>—</u>	<u>—</u>
 Total Operating Revenues	 <u>\$ 256,821,150</u>	 <u>\$ 41,595,868</u>	 <u>\$ 30,513,587</u>
Operating Expenses:			
General and Administrative	\$ 106,129,264	\$ 30,788,788	\$ 10,705,722
Goods and Services	145,006,980	9,365,286	17,042,514
Benefits	—	—	—
Claims and Judgments	—	—	—
Depreciation	<u>—</u>	<u>—</u>	<u>1,310,915</u>
 Total Operating Expenses	 <u>\$ 251,136,244</u>	 <u>\$ 40,154,074</u>	 <u>\$ 29,059,151</u>
 Operating Income (Loss)	 <u>\$ 5,684,906</u>	 <u>\$ 1,441,794</u>	 <u>\$ 1,454,436</u>
Nonoperating Revenues (Expenses):			
Interest and Other Investment Income	\$ 537	\$ 513,363	\$ 379,834
Interest Expense	—	—	(47,934)
Other	<u>(29,320,525)</u>	<u>(1,183,071)</u>	<u>279,412</u>
 Total Nonoperating Revenues (Expenses)	 <u>\$ (29,319,988)</u>	 <u>\$ (669,708)</u>	 <u>\$ 611,312</u>
 Net Income (Loss) Before Operating Transfers	 <u>\$ (23,635,082)</u>	 <u>\$ 772,086</u>	 <u>\$ 2,065,748</u>
Operating Transfers:			
Transfers In	\$ 66,426,569	\$ —	\$ —
Transfers Out	<u>(19,173,717)</u>	<u>—</u>	<u>—</u>
 Net Operating Transfers	 <u>\$ 47,252,852</u>	 <u>\$ 0</u>	 <u>\$ 0</u>
 Net Income (Loss)	 <u>\$ 23,617,770</u>	 <u>\$ 772,086</u>	 <u>\$ 2,065,748</u>
Fund Equity, July 1	157,915,792	240,678,125	24,363,485
Contributed Capital	—	175,983	—
Decrease in Inventories	<u>(49,250)</u>	<u>—</u>	<u>—</u>
 Fund Equity, June 30	 <u><u>\$ 181,484,312</u></u>	 <u><u>\$ 241,626,194</u></u>	 <u><u>\$ 26,429,233</u></u>

Merit System of Personnel Administration	Removal of Hazardous Materials, Agency for	Risk Management	Total Before Eliminations	Eliminations	Total
\$ —	\$ —	\$ 122,586,375	\$ 122,586,375	\$ (185,482)	\$ 122,400,893
—	—	9,102,782	9,102,782	—	9,102,782
—	—	97,215,751	97,215,751	—	97,215,751
—	—	—	30,481,660	—	30,481,660
13,080,157	1,876,253	—	311,881,726	—	311,881,726
<u>89,530</u>	<u>—</u>	<u>—</u>	<u>1,613,159</u>	<u>—</u>	<u>1,613,159</u>
<u>\$ 13,169,687</u>	<u>\$ 1,876,253</u>	<u>\$ 228,904,908</u>	<u>\$ 572,881,453</u>	<u>\$ (185,482)</u>	<u>\$ 572,695,971</u>
\$ 12,643,824	\$ 356,147	\$ 5,159,691	\$ 165,783,436	\$ (185,482)	\$ 165,597,954
—	1,512,555	11,360,982	184,288,317	—	184,288,317
—	—	15,357,000	15,357,000	—	15,357,000
—	—	158,694,809	158,694,809	—	158,694,809
<u>—</u>	<u>—</u>	<u>—</u>	<u>1,310,915</u>	<u>—</u>	<u>1,310,915</u>
<u>\$ 12,643,824</u>	<u>\$ 1,868,702</u>	<u>\$ 190,572,482</u>	<u>\$ 525,434,477</u>	<u>\$ (185,482)</u>	<u>\$ 525,248,995</u>
<u>\$ 525,863</u>	<u>\$ 7,551</u>	<u>\$ 38,332,426</u>	<u>\$ 47,446,976</u>	<u>\$ 0</u>	<u>\$ 47,446,976</u>
\$ —	\$ —	\$ —	\$ 893,734	\$ —	\$ 893,734
—	—	—	(47,934)	—	(47,934)
<u>(107,854)</u>	<u>—</u>	<u>—</u>	<u>(30,332,038)</u>	<u>—</u>	<u>(30,332,038)</u>
<u>\$ (107,854)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (29,486,238)</u>	<u>\$ 0</u>	<u>\$ (29,486,238)</u>
<u>\$ 418,009</u>	<u>\$ 7,551</u>	<u>\$ 38,332,426</u>	<u>\$ 17,960,738</u>	<u>\$ 0</u>	<u>\$ 17,960,738</u>
\$ —	\$ —	\$ —	\$ 66,426,569	\$ —	\$ 66,426,569
—	—	—	(19,173,717)	—	(19,173,717)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,252,852</u>	<u>\$ 0</u>	<u>\$ 47,252,852</u>
\$ 418,009	\$ 7,551	\$ 38,332,426	\$ 65,213,590	\$ 0	\$ 65,213,590
702,388	1,137,520	632,933,928	1,057,731,238	—	1,057,731,238
—	—	—	175,983	—	175,983
<u>—</u>	<u>—</u>	<u>—</u>	<u>(49,250)</u>	<u>—</u>	<u>(49,250)</u>
<u>\$ 1,120,397</u>	<u>\$ 1,145,071</u>	<u>\$ 671,266,354</u>	<u>\$ 1,123,071,561</u>	<u>\$ 0</u>	<u>\$ 1,123,071,561</u>

# State of Georgia

**Primary Government - Internal Service Funds**  
**Risk Management**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Equity**  
**For the Fiscal Year Ended June 30, 1999**

	<u>Georgia State Indemnification Commission</u>	<u>Hazard and Insurance Reserve Fund</u>	<u>Liability Self-Insurance Reserve Fund</u>
Operating Revenues:			
Contributions	\$ 550,000	\$ 13,737,171	\$ 34,616,929
Insurance Recoveries	—	9,102,782	—
Interest and Other Investment Income	52,868	1,193,453	10,947,498
	<u>602,868</u>	<u>24,033,406</u>	<u>45,564,427</u>
Total Operating Revenues	\$ <u>602,868</u>	\$ <u>24,033,406</u>	\$ <u>45,564,427</u>
Operating Expenses:			
General and Administrative	\$ —	\$ —	\$ 1,442,669
Goods and Services	—	2,546,567	6,188,748
Benefits	—	—	—
Claims and Judgments	522,397	(434,751)	47,295,350
	<u>522,397</u>	<u>2,111,816</u>	<u>54,926,767</u>
Total Operating Expenses	\$ <u>522,397</u>	\$ <u>2,111,816</u>	\$ <u>54,926,767</u>
Net Income (Loss)	\$ 80,471	\$ 21,921,590	\$ (9,362,340)
Equity, July 1	<u>753,863</u>	<u>(601,888)</u>	<u>(5,894,056)</u>
Equity, June 30	<u>\$ 834,334</u>	<u>\$ 21,319,702</u>	<u>\$ (15,256,396)</u>

State Employees' Assurance Department	Unemployment Compensation Fund	Workers' Compensation Fund	Total
\$ 16,850,000	\$ 5,800,888	\$ 51,031,387	\$ 122,586,375
—	—	—	9,102,782
80,159,000	225,698	4,637,234	97,215,751
\$ 97,009,000	\$ 6,026,586	\$ 55,668,621	\$ 228,904,908
\$ 147,000	\$ 210,463	\$ 3,359,559	\$ 5,159,691
—	—	2,625,667	11,360,982
15,357,000	—	—	15,357,000
—	5,083,548	106,228,265	158,694,809
\$ 15,504,000	\$ 5,294,011	\$ 112,213,491	\$ 190,572,482
\$ 81,505,000	\$ 732,575	\$ (56,544,870)	\$ 38,332,426
708,960,000	(1,509,313)	(68,774,678)	632,933,928
\$ 790,465,000	\$ (776,738)	\$ (125,319,548)	\$ 671,266,354



<u>Correctional Industries Administration</u>	<u>Merit System of Personnel Administration</u>	<u>Removal of Hazardous Materials, Agency for</u>	<u>Risk Management</u>	<u>Total</u>
\$ 31,433,924	\$ 13,136,306	\$ 1,892,682	\$ —	\$ 346,232,366
—	—	—	123,046,468	123,046,468
—	—	—	9,102,782	9,102,782
(22,486,751)	(6,880,680)	(2,138,820)	(16,092,052)	(262,219,804)
(7,501,550)	(6,339,146)	—	—	(87,270,378)
—	—	—	(15,357,000)	(15,357,000)
—	—	—	(84,270,758)	(84,270,758)
<u>\$ 1,445,623</u>	<u>\$ (83,520)</u>	<u>\$ (246,138)</u>	<u>\$ 16,429,440</u>	<u>\$ 29,263,676</u>
\$ —	\$ —	\$ —	\$ —	\$ 66,426,569
—	—	—	—	(19,173,717)
<u>131,762</u>	<u>—</u>	<u>—</u>	<u>(7,810,318)</u>	<u>(7,658,369)</u>
<u>\$ 131,762</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,810,318)</u>	<u>\$ 39,594,483</u>
\$ —	\$ —	\$ —	\$ —	\$ 175,983
(1,332,691)	(667,221)	(7,976)	—	(40,325,223)
(242,857)	—	—	—	(242,857)
<u>(47,934)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(47,934)</u>
<u>\$ (1,623,482)</u>	<u>\$ (667,221)</u>	<u>\$ (7,976)</u>	<u>\$ 0</u>	<u>\$ (40,440,031)</u>
\$ 1,540,124	\$ —	\$ —	\$ (35,966,248)	\$ (30,417,290)
<u>379,834</u>	<u>—</u>	<u>—</u>	<u>41,585,405</u>	<u>42,479,139</u>
<u>\$ 1,919,958</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,619,157</u>	<u>\$ 12,061,849</u>
\$ 1,873,861	\$ (750,741)	\$ (254,114)	\$ 14,238,279	\$ 40,479,977
<u>0</u>	<u>2,223,168</u>	<u>332,376</u>	<u>0</u>	<u>15,932,813</u>
<u>\$ 1,873,861</u>	<u>\$ 1,472,427</u>	<u>\$ 78,262</u>	<u>\$ 14,238,279</u>	<u>\$ 56,412,790</u>

(continued)

# State of Georgia

## Primary Government - Internal Service Funds Combining Statement of Cash Flows (continued) For the Fiscal Year Ended June 30, 1999

	Administrative Services, Department of	Building Authority, Georgia
Operating Income	\$ 5,684,906	\$ 1,441,794
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used In) Operating Activities:		
Depreciation	\$ —	\$ —
Interest and Other Investment Income	—	—
Changes in Assets and Liabilities:		
Decrease (Increase) in Other Receivables	(206,997)	1,493,104
Decrease (Increase) in Due from Other Funds	775,535	—
Decrease in Due from Component Units	150,480	—
Decrease (Increase) in Inventories	—	86,350
Decrease (Increase) in Prepaid Items	(59,550)	(5,404)
Increase (Decrease) in Accounts Payable and Other Accruals	6,588,769	(1,006,818)
Increase in Compensated Absences Payable	429,863	29,895
Increase in Claims and Judgments Payable	—	—
Decrease in Contracts Payable	(2,525,039)	(585,670)
Increase (Decrease) in Salaries/Withholdings Payable	(24)	(25,812)
Increase (Decrease) in Due to Other Funds	8,313	312,575
Decrease in Due to Component Units	(138)	—
Decrease in Deferred Revenue	—	(73,701)
Decrease in Deposits and Overpayments	—	(794,160)
Total Adjustments	\$ 5,161,212	\$ (569,641)
Net Cash Provided by (Used in) Operating Activities	\$ 10,846,118	\$ 872,153
Noncash Investing, Capital, and Financing Activities:		
Acquisition of Fixed Assets through Capital Leases	\$ 2,460,250	\$ —
Disposal of Fixed Assets	(29,320,525)	(1,864,349)
	\$ (26,860,275)	\$ (1,864,349)

<u>Correctional Industries Administration</u>	<u>Merit System of Personnel Administration</u>	<u>Removal of Hazardous Materials, Agency for</u>	<u>Risk Management</u>	<u>Total</u>
\$ 1,454,436	\$ 525,863	\$ 7,551	\$ 38,332,426	\$ 47,446,976
\$ 1,310,915	\$ —	\$ —	\$ —	\$ 1,310,915
—	—	—	(97,215,751)	(97,215,751)
920,787	(33,381)	16,429	1,006,093	3,196,035
—	52,431	—	(103,340)	724,626
—	—	—	—	150,480
(2,421,165)	—	1,573	—	(2,333,242)
9,141	(6,176)	—	—	(61,989)
148,191	(9,240)	(271,691)	—	5,449,211
27,787	71,257	—	—	558,802
—	—	—	74,424,051	74,424,051
—	(683,223)	—	—	(3,793,932)
130	(1,051)	—	—	(26,757)
(4,599)	—	—	(14,039)	302,250
—	—	—	—	(138)
—	—	—	—	(73,701)
—	—	—	—	(794,160)
\$ (8,813)	\$ (609,383)	\$ (253,689)	\$ (21,902,986)	\$ (18,183,300)
\$ 1,445,623	\$ (83,520)	\$ (246,138)	\$ 16,429,440	\$ 29,263,676
\$ —	\$ —	\$ —	\$ —	\$ 2,460,250
(30,067)	(107,854)	—	—	(31,322,795)
\$ (30,067)	\$ (107,854)	\$ 0	\$ 0	\$ (28,862,545)

# State of Georgia

## Primary Government - Internal Service Funds

### Risk Management

#### Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 1999

	<u>Georgia State Indemnification Commission</u>	<u>Hazard and Insurance Reserve Fund</u>
Cash Flows from Operating Activities:		
Cash Received from Required Contributions	\$ 550,000	\$ 13,843,276
Cash Received from Insurance Proceeds	—	9,102,782
Cash Paid to Vendors	—	(2,725,803)
Cash Paid for Benefits	—	—
Cash Paid for Claims and Judgments	<u>(328,647)</u>	<u>(14,214,969)</u>
Net Cash Provided by Operating Activities	<u>\$ 221,353</u>	<u>\$ 6,005,286</u>
Cash Flows from Noncapital Financing Activities:		
Other Noncapital Items (Net)	<u>\$ (24,257)</u>	<u>\$ (441,292)</u>
Cash Flows from Investing Activities:		
Purchase of Investments (Net)	\$ (197,861)	\$ (5,708,661)
Interest on Investments	<u>52,868</u>	<u>1,193,453</u>
Net Cash Provided by (Used in) Investing Activities	<u>\$ (144,993)</u>	<u>\$ (4,515,208)</u>
Net Decrease in Cash and Cash Equivalents	\$ 52,103	\$ 1,048,786
Cash and Cash Equivalents, July 1	<u>0</u>	<u>0</u>
Cash and Cash Equivalents, June 30	<u>\$ 52,103</u>	<u>\$ 1,048,786</u>
Operating Income (Loss)	<u>\$ 80,471</u>	<u>\$ 21,921,590</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Interest and Other Investment Income	\$ (52,868)	\$ (1,193,453)
Changes in Assets and Liabilities:		
Increase in Other Receivables	—	106,105
Decrease (Increase) in Due from Other Funds	—	—
Increase (Decrease) in Claims and Judgments Payable	193,750	(14,649,720)
Increase (Decrease) in Due to Other Funds	<u>—</u>	<u>(179,236)</u>
Total Adjustments	<u>\$ 140,882</u>	<u>\$ (15,916,304)</u>
Net Cash Provided by Operating Activities	<u>\$ 221,353</u>	<u>\$ 6,005,286</u>

Liability Self-Insurance Reserve Fund	State Employees' Assurance Department	Unemployment Compensation Fund	Workers' Compensation Fund	Total
\$ 35,327,045	\$ 16,304,000	\$ 5,816,574	\$ 51,205,573	\$ 123,046,468
—	—	—	—	9,102,782
(7,018,261)	(147,000)	(98,814)	(6,102,174)	(16,092,052)
—	(15,357,000)	—	—	(15,357,000)
<u>(20,925,790)</u>	<u>—</u>	<u>(4,469,087)</u>	<u>(44,332,265)</u>	<u>(84,270,758)</u>
\$ <u>7,382,994</u>	\$ <u>800,000</u>	\$ <u>1,248,673</u>	\$ <u>771,134</u>	\$ <u>16,429,440</u>
\$ <u>(5,215,122)</u>	\$ <u>—</u>	\$ <u>(40,487)</u>	\$ <u>(2,089,160)</u>	\$ <u>(7,810,318)</u>
\$ (3,767,686)	\$ (25,328,654)	\$ (1,300,508)	\$ 337,122	\$ (35,966,248)
<u>10,947,498</u>	<u>24,528,654</u>	<u>225,698</u>	<u>4,637,234</u>	<u>41,585,405</u>
\$ <u>7,179,812</u>	\$ <u>(800,000)</u>	\$ <u>(1,074,810)</u>	\$ <u>4,974,356</u>	\$ <u>5,619,157</u>
\$ 9,347,684	\$ 0	\$ 133,376	\$ 3,656,330	\$ 14,238,279
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>9,347,684</u>	\$ <u>0</u>	\$ <u>133,376</u>	\$ <u>3,656,330</u>	\$ <u>14,238,279</u>
\$ <u>(9,362,340)</u>	\$ <u>81,505,000</u>	\$ <u>732,575</u>	\$ <u>(56,544,870)</u>	\$ <u>38,332,426</u>
\$ (10,947,498)	\$ (80,159,000)	\$ (225,698)	\$ (4,637,234)	\$ (97,215,751)
710,116	—	15,686	174,186	1,006,093
442,598	(546,000)	62	—	(103,340)
26,369,560	—	614,461	61,896,000	74,424,051
<u>170,558</u>	<u>—</u>	<u>111,587</u>	<u>(116,948)</u>	<u>(14,039)</u>
\$ <u>16,745,334</u>	\$ <u>(80,705,000)</u>	\$ <u>516,098</u>	\$ <u>57,316,004</u>	\$ <u>(21,902,986)</u>
\$ <u>7,382,994</u>	\$ <u>800,000</u>	\$ <u>1,248,673</u>	\$ <u>771,134</u>	\$ <u>16,429,440</u>

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Primary Government  
Trust and Agency Funds

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# State of Georgia

## Primary Government - Trust and Agency Funds Combining Balance Sheet June 30, 1999

	Expendable Trust	Nonexpendable Trust	Pension Trust	Investment Trust	Agency	Total
<b>Assets</b>						
Cash and Cash Equivalents	\$ 1,992,267,471	\$ 14,786	\$ 3,577,121	\$ 800,840,617	\$ 96,280,812	\$ 2,892,980,807
Investments	20,280,317	203,932	12,770,907,195	2,409,622,370	224,289,690	15,425,303,504
Receivables (Net of Allowances for Uncollectibles)						
Intergovernmental - Federal	225,937	—	—	—	516,733	742,670
Interest and Dividends	—	6,664	84,558,000	—	—	84,564,664
Notes and Loans	3,861,269	—	—	—	—	3,861,269
Taxes	34,820,564	—	—	—	—	34,820,564
Other	11,448,007	—	7,138,816	—	29,659,850	48,246,673
Due from Other Funds	—	—	515	—	—	515
Prepaid Items	8,991	—	18,261	—	—	27,252
Other Assets	—	—	—	—	37,540	37,540
<b>Total Assets</b>	<b>\$ 2,062,912,556</b>	<b>\$ 225,382</b>	<b>\$ 12,866,199,908</b>	<b>\$ 3,210,462,987</b>	<b>\$ 350,784,625</b>	<b>\$ 18,490,585,458</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts Payable and Other Accruals	\$ 3,691,903	\$ —	\$ 3,695,740	\$ —	\$ —	\$ 7,387,643
Contracts Payable	85,201	—	—	—	—	85,201
Salaries/Withholdings Payable	—	—	27,707	—	—	27,707
Due to Other Funds	—	—	1,146,000	—	—	1,146,000
Funds Held for Others	—	—	—	—	350,777,700	350,777,700
Advances from Other Funds	—	—	—	—	6,925	6,925
<b>Total Liabilities</b>	<b>\$ 3,777,104</b>	<b>\$ 0</b>	<b>\$ 4,869,447</b>	<b>\$ 0</b>	<b>\$ 350,784,625</b>	<b>\$ 359,431,176</b>
<b>Fund Balances:</b>						
Reserved for Pension Benefits	\$ —	\$ —	\$ 12,861,330,461	\$ —	\$ —	\$ 12,861,330,461
Reserved for Pool Participants	—	—	—	3,210,462,987	—	3,210,462,987
Reserved for Other Specific Purposes	2,029,905,310	148,500	—	—	—	2,030,053,810
Unreserved, Undesignated	29,230,142	76,882	—	—	—	29,307,024
<b>Total Fund Balances</b>	<b>\$ 2,059,135,452</b>	<b>\$ 225,382</b>	<b>\$ 12,861,330,461</b>	<b>\$ 3,210,462,987</b>	<b>\$ 0</b>	<b>\$ 18,131,154,282</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,062,912,556</b>	<b>\$ 225,382</b>	<b>\$ 12,866,199,908</b>	<b>\$ 3,210,462,987</b>	<b>\$ 350,784,625</b>	<b>\$ 18,490,585,458</b>

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# State of Georgia

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## Primary Government - Expendable Trust Funds For the Fiscal Year Ended June 30, 1999

**Expendable Trust Funds** are used to account for assets held by the government in a trustee capacity in which both the principal and revenues earned on that principal may be expended for purposes designated by the trust agreement. The State's expendable trust funds are described below:

The **Auctioneers 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 developing courses, conducting seminars, conducting research projects on matters affecting auctioneers, publishing and distributing educational materials, or other education and research programs for the benefit of licensees and the public.

The **Housing Trust Fund for the Homeless** provides financial assistance to sponsors of housing programs and activities which are designed to enhance home ownership opportunities of low income Georgia households.

The **Keds Corporation Settlement Fund** is responsible for the direct delivery of services to women between fifteen and forty-four years of age with specific priority being given to job training in non-traditional employment fields.

The **Real Estate 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 **Unemployment Compensation Contributions and Benefits Fund** accounts for the collection of employers' unemployment insurance tax and the payment of unemployment insurance benefits.

# State of Georgia

## Primary Government - Expendable Trust Funds Combining Balance Sheet June 30, 1999

	Auctioneers Recovery Fund	Housing Trust Fund for the Homeless
<b>Assets</b>		
Cash and Cash Equivalents	\$ 262,894	\$ 2,757,344
Investments	—	8,653,903
Receivables (Net of Allowances for Uncollectibles)		
Intergovernmental - Federal	—	—
Notes and Loans	—	3,861,269
Taxes	—	—
Other	—	—
Prepaid Items	—	—
Total Assets	\$ 262,894	\$ 15,272,516
 <b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts Payable and Other Accruals	\$ —	\$ 3,670,315
Contracts Payable	—	85,201
Total Liabilities	\$ 0	\$ 3,755,516
 Fund Balances:		
Reserved for Other Specific Purposes	\$ —	\$ —
Unreserved, Undesignated	262,894	11,517,000
Total Fund Balances	\$ 262,894	\$ 11,517,000
Total Liabilities and Fund Balances	\$ 262,894	\$ 15,272,516

<u>Keds Corporation Settlement Fund</u>	<u>Real Estate Recovery Fund</u>	<u>Subsequent Injury Trust Fund</u>	<u>Unemployment Compensation Contributions and Benefits Fund</u>	<u>Total</u>
\$ 64,999	\$ 420,811	\$ 5,330,145	\$ 1,983,431,278	\$ 1,992,267,471
—	1,186,762	10,439,652	—	20,280,317
—	—	—	225,937	225,937
—	—	—	—	3,861,269
—	—	—	34,820,564	34,820,564
—	—	—	11,448,007	11,448,007
—	—	8,991	—	8,991
<u>\$ 64,999</u>	<u>\$ 1,607,573</u>	<u>\$ 15,778,788</u>	<u>\$ 2,029,925,786</u>	<u>\$ 2,062,912,556</u>
\$ —	\$ 86	\$ 1,026	\$ 20,476	\$ 3,691,903
—	—	—	—	85,201
<u>\$ 0</u>	<u>\$ 86</u>	<u>\$ 1,026</u>	<u>\$ 20,476</u>	<u>\$ 3,777,104</u>
\$ —	\$ —	\$ —	\$ 2,029,905,310	\$ 2,029,905,310
<u>64,999</u>	<u>1,607,487</u>	<u>15,777,762</u>	<u>—</u>	<u>29,230,142</u>
<u>\$ 64,999</u>	<u>\$ 1,607,487</u>	<u>\$ 15,777,762</u>	<u>\$ 2,029,905,310</u>	<u>\$ 2,059,135,452</u>
<u>\$ 64,999</u>	<u>\$ 1,607,573</u>	<u>\$ 15,778,788</u>	<u>\$ 2,029,925,786</u>	<u>\$ 2,062,912,556</u>

# State of Georgia

## Primary Government - Expendable Trust Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 1999

	Auctioneers Recovery Fund	Housing Trust Fund for the Homeless
Revenues:		
Taxes	\$ —	\$ —
Intergovernmental		
Federal	—	—
Sales and Services	13,950	—
Interest and Other Investment Income	—	581,478
Other	—	—
	—	—
Total Revenues	\$ 13,950	\$ 581,478
Expenditures:		
Education	\$ —	\$ —
Health and Welfare	—	—
Economic Development and Assistance	—	8,671,559
	—	8,671,559
Total Expenditures	\$ 0	\$ 8,671,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 13,950	\$ (8,090,081)
Other Financing Sources:		
Operating Transfers In	—	3,281,250
	—	3,281,250
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ 13,950	\$ (4,808,831)
Fund Balances, July 1	248,944	16,325,831
Fund Balances, June 30	\$ 262,894	\$ 11,517,000

Keds Corporation Settlement Fund	Real Estate Recovery Fund	Subsequent Injury Trust Fund	Unemployment Compensation Contributions and Benefits Fund	Total
\$ —	\$ —	\$ 51,721,639	\$ 167,221,217	\$ 218,942,856
—	—	—	16,529,498	16,529,498
—	107,463	9	—	121,422
—	78,673	2,343,810	129,610,490	132,614,451
—	—	—	607,593	607,593
<u>\$ 0</u>	<u>\$ 186,136</u>	<u>\$ 54,065,458</u>	<u>\$ 313,968,798</u>	<u>\$ 368,815,820</u>
\$ —	\$ 120,836	\$ —	\$ —	\$ 120,836
—	—	72,166,259	—	72,166,259
—	—	—	275,822,371	284,493,930
<u>\$ 0</u>	<u>\$ 120,836</u>	<u>\$ 72,166,259</u>	<u>\$ 275,822,371</u>	<u>\$ 356,781,025</u>
\$ 0	\$ 65,300	\$ (18,100,801)	\$ 38,146,427	\$ 12,034,795
—	—	—	—	3,281,250
\$ 0	\$ 65,300	\$ (18,100,801)	\$ 38,146,427	\$ 15,316,045
<u>64,999</u>	<u>1,542,187</u>	<u>33,878,563</u>	<u>1,991,758,883</u>	<u>2,043,819,407</u>
<u>\$ 64,999</u>	<u>\$ 1,607,487</u>	<u>\$ 15,777,762</u>	<u>\$ 2,029,905,310</u>	<u>\$ 2,059,135,452</u>

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# State of Georgia

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## Primary Government - Nonexpendable Trust Funds For the Fiscal Year Ended June 30, 1999

**Nonexpendable Trust Funds** are used to account for assets held by the government in a trustee capacity in which the principal of the trust must be preserved intact. The State's nonexpendable trust funds are described below:

The **Pupils' Trust Fund - Georgia Academy for the Blind** is used to account for principal trust amounts received and related interest income. The interest portion of the trust may be used for student activities at Georgia Academy for the Blind.

The **Lenora M. Sarling Scholarship Fund** is used to account for principal trust amounts received and related interest income. The interest portion of the trust may be used for scholarships at North Georgia Technical Institute.

The **Carl Patrick Chair** is used to account for principal trust amounts received and related interest income. The interest portion of the trust may be used to supplement salaries of engineers on staff at Columbus Technical Institute.

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# State of Georgia

## Primary Government - Nonexpendable Trust Funds Combining Balance Sheet June 30, 1999

	Pupils' Trust Fund - Georgia Academy for the Blind	Lenora M. Sarling Scholarship Fund	Carl Patrick Chair	Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 13,500	\$ 307	\$ 979	\$ 14,786
Investments	—	35,152	168,780	203,932
Receivables				
Interest and Dividends	—	—	6,664	6,664
Total Assets	\$ 13,500	\$ 35,459	\$ 176,423	\$ 225,382
<b>Fund Balances</b>				
Reserved for Other Specific Purposes	\$ 13,500	\$ 35,000	\$ 100,000	\$ 148,500
Unreserved, Undesignated	—	459	76,423	76,882
Total Fund Balances	\$ 13,500	\$ 35,459	\$ 176,423	\$ 225,382

# State of Georgia

## Primary Government - Nonexpendable Trust Funds Combining Statement of Revenues, Expenses and Changes in Fund Balances For the Fiscal Year Ended June 30, 1999

	<u>Pupils' Trust Fund - Georgia Academy for the Blind</u>	<u>Lenora M. Sarling Scholarship Fund</u>	<u>Carl Patrick Chair</u>	<u>Total</u>
Operating Revenues:				
Interest and Other Investment Income	\$ 845	\$ 1,964	\$ 9,146	\$ 11,955
Operating Expenses:				
Scholarships	\$ —	\$ 2,495	\$ —	\$ 2,495
Other	845	—	4,329	5,174
Total Operating Expenses	\$ 845	\$ 2,495	\$ 4,329	\$ 7,669
Net Income	\$ 0	\$ (531)	\$ 4,817	\$ 4,286
Fund Balances, July 1	<u>13,500</u>	<u>35,990</u>	<u>171,606</u>	<u>221,096</u>
Fund Balances, June 30	<u>\$ 13,500</u>	<u>\$ 35,459</u>	<u>\$ 176,423</u>	<u>\$ 225,382</u>

# State of Georgia

## Primary Government - Nonexpendable Trust Funds Combining Statement of Cash Flows For the Fiscal Year Ended June 30, 1999

	Pupils' Trust Fund - Georgia Academy for the Blind	Lenora M. Sarling Scholarship Fund	Carl Patrick Chair	Total
Cash Flows from Operating Activities:				
Cash Paid to Vendors	\$ (845)	\$ —	\$ (4,329)	\$ (5,174)
Cash Paid for Scholarships	<u>—</u>	<u>(2,495)</u>	<u>—</u>	<u>(2,495)</u>
Net Cash Used in Operating Activities	<u>\$ (845)</u>	<u>\$ (2,495)</u>	<u>\$ (4,329)</u>	<u>\$ (7,669)</u>
Cash Flows from Investing Activities:				
Purchase of Investments (Net)	\$ —	\$ —	\$ (168,780)	\$ (168,780)
Interest on Investments	<u>845</u>	<u>2,210</u>	<u>2,482</u>	<u>5,537</u>
Net Cash Provided by (Used In) Investing Activities	<u>\$ 845</u>	<u>\$ 2,210</u>	<u>\$ (166,298)</u>	<u>\$ (163,243)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 0	\$ (285)	\$ (170,627)	\$ (170,912)
Cash and Cash Equivalents, July 1	<u>13,500</u>	<u>592</u>	<u>171,606</u>	<u>185,698</u>
Cash and Cash Equivalents, June 30	<u>\$ 13,500</u>	<u>\$ 307</u>	<u>\$ 979</u>	<u>\$ 14,786</u>
Operating Income	\$ 0	\$ (531)	\$ 4,817	\$ 4,286
Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:				
Interest and Other Investment Income	<u>(845)</u>	<u>(1,964)</u>	<u>(9,146)</u>	<u>(11,955)</u>
Net Cash Used in Operating Activities	<u>\$ (845)</u>	<u>\$ (2,495)</u>	<u>\$ (4,329)</u>	<u>\$ (7,669)</u>

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# State of Georgia

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## Primary Government - Pension Trust Funds For the Fiscal Year Ended June 30, 1999

**Pension Trust Funds** account for activities of the public employee retirement systems. The State's pension trust funds are described below:

The **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 **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 of Georgia.

The **District Attorneys Retirement System** (new plan) is used to account for the accumulation of resources for the purpose of paying retirement benefits to the district attorneys of the State of Georgia. All employer and employee contributions, plus the earnings on such amounts, were transferred to the Georgia Judicial Retirement System on July 1, 1998.

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 of Georgia and its political subdivisions.

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 of Georgia, and district attorneys of the State of Georgia.

The **Legislative Retirement System** is used to account for the accumulation of resources for the purpose of providing retirement allowances for all members of the General Assembly.

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 of Georgia.

The **Superior Court Judges Retirement System** (new 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 of Georgia. All employer and employee contributions, plus the earnings on such amounts, were transferred to the Georgia Judicial Retirement System on July 1, 1998.

The **Trial Judges and Solicitors Retirement Fund** is used to account for the accumulation of resources for the purpose of providing retirement allowances for trial judges and solicitors of certain courts of Georgia, and their survivors and other beneficiaries. All employer and employee contributions, plus the earnings on such amounts, were transferred to the Georgia Judicial Retirement System on July 1, 1998.

# State of Georgia

## Primary Government - Pension Trust Funds

### Combining Statement of Plan Net Assets

June 30, 1999

	Defined Contribution Plan	District Attorneys Retirement Fund	District Attorneys Retirement System	Employees' Retirement System
<b>Assets</b>				
Cash and Cash Equivalents	\$ 137,000	\$ 1,000	\$ —	\$ 3,275,696
Investments	30,173,000	—	—	12,483,929,204
Receivables (Net of Allowances for Uncollectibles)				
Interest and Dividends	206,000	—	—	84,352,000
Other				
Miscellaneous	994,000	—	—	5,845,232
Due from Other Funds	—	—	—	515
Prepaid Items	—	—	—	18,261
Total Assets	\$ 31,510,000	\$ 1,000	\$ 0	\$ 12,577,420,908
<b>Liabilities</b>				
Accounts Payable and Other Accruals	\$ —	\$ 1,000	\$ —	\$ 3,654,740
Salaries/Withholdings Payable	—	—	—	27,707
Due to Other Funds	—	—	—	1,120,000
Total Liabilities	\$ 0	\$ 1,000	\$ 0	\$ 4,802,447
<b>Fund Balances Reserved for Pension Benefits</b>	<b>\$ 31,510,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,572,618,461</b>

Georgia Judicial Retirement System	Legislative Retirement System	Superior Court Judges Retirement Fund	Superior Court Judges Retirement System	Trial Judges and Solicitors Retirement Fund	Total
\$ 41,087	\$ 75,338	\$ 47,000	\$ —	\$ —	\$ 3,577,121
225,765,329	29,319,662	1,720,000	—	—	12,770,907,195
—	—	—	—	—	84,558,000
298,584	—	1,000	—	—	7,138,816
—	—	—	—	—	515
—	—	—	—	—	18,261
<u>\$ 226,105,000</u>	<u>\$ 29,395,000</u>	<u>\$ 1,768,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,866,199,908</u>
\$ 21,000	\$ 11,000	\$ 8,000	\$ —	\$ —	\$ 3,695,740
—	—	—	—	—	27,707
—	26,000	—	—	—	1,146,000
<u>\$ 21,000</u>	<u>\$ 37,000</u>	<u>\$ 8,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,869,447</u>
<u><u>\$ 226,084,000</u></u>	<u><u>\$ 29,358,000</u></u>	<u><u>\$ 1,760,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 12,861,330,461</u></u>

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# State of Georgia

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## Primary Government - Agency Funds For the Fiscal Year Ended June 30, 1999

**Agency Funds** report those assets for which the State acts solely in a custodial capacity. The State's major agency funds are described below:

### **Agriculture, Department of**

The **Agricultural Commodity Commissions** account for assessments levied on producers and handlers of various commodities. These funds are disbursed upon approval and request of the commodity commissions to promote the production, marketing, sale, utilization, processing, research and improvement of agricultural products in Georgia.

### **Corrections, Department of**

**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.

### **Human Resources, Department of**

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.

**Non-Centralized Agency Funds** account for donations, vending machine proceeds, client funds and fund raising projects at hospitals, development centers, group homes and other Department of Human Resources sites around the State.

### **Insurance, Department of**

**Receiverships** are held to pay claims and expenses against out-of-state defunct insurance companies.

### **Medical Assistance, Department of**

The **Medicaid Special Holding Account** consists of refunds and recoveries made on specific claims for which disposition has not yet been determined.

### **Merit System of Personnel Administration, State Personnel Board**

The **Deferred Compensation Program** accounts for participant earnings deferred in accordance with Internal Revenue Code Section 457. GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", rescinded the requirement to account for such plans in an agency fund of the employer. In fiscal year 1999, the Deferred Compensation Program agency fund was eliminated.

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# State of Georgia

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## Primary Government - Agency Funds For the Fiscal Year Ended June 30, 1999

### **Merit System of Personnel Administration, State Personnel Board**

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.

### **Public Service Commission**

The **Universal Access Fund** was established to assure the provision of reasonably priced access to basic local exchange services throughout Georgia. All telecommunications companies providing telecommunications services within Georgia contribute to this fund. Distributions are made to providers of basic local exchange services upon application and demonstration that the reasonable costs to provide such service exceed the maximum fixed price permitted.

The **Telecommunications Relay Service Fund** was established to provide telecommunication services to hearing/speech impaired Georgians. All local exchange telephone companies in the State impose a monthly maintenance surcharge on all residential and business local exchange access facilities, which are deposited into this fund solely for the provisions of the Dual Party Relay System.

### **Revenue, Department of**

The **Real Estate Transfer Tax** fund is used to collect real estate transfer taxes on behalf of county governments and to remit the taxes back to the counties.

### **Treasury and Fiscal Services, Office of**

**Education Local Option Sales Tax Collections, Homestead Option Sales Tax Collections, Local Option Sales Tax Collections and Special Purpose Tax Collections** account for the collection and disbursement of local option sales taxes on behalf of county and municipal governments.

# State of Georgia

## Primary Government - Agency Funds Combining Statement of Changes in Assets and Liabilities For the Fiscal Year Ended June 30, 1999

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
<b>Agriculture, Department of</b>				
Agricultural Commodity Commissions				
Assets				
Cash and Cash Equivalents	\$ 535,347	\$ 7,562,445	\$ 6,564,249	\$ 1,533,543
Investments	4,569,267	2,289,349	3,139,267	3,719,349
Total Assets	\$ 5,104,614	\$ 9,851,794	\$ 9,703,516	\$ 5,252,892
Liabilities				
Funds Held for Others	\$ 5,104,614	\$ 4,423,178	\$ 4,274,900	\$ 5,252,892
 <b>Corrections, Department of</b>				
Detainees' Accounts				
Assets				
Cash and Cash Equivalents	\$ 28,426,196	\$ 115,705,497	\$ 114,793,600	\$ 29,338,093
Liabilities				
Funds Held for Others	\$ 28,426,196	\$ 115,705,497	\$ 114,793,600	\$ 29,338,093
 <b>Human Resources, Department of</b>				
Child Support Recovery Program				
Assets				
Cash and Cash Equivalents	\$ 3,234,198	\$ 427,659,097	\$ 423,576,991	\$ 7,316,304
Liabilities				
Funds Held for Others	\$ 3,234,198	\$ 427,659,097	\$ 423,576,991	\$ 7,316,304
 Non-Centralized Agency Funds				
Assets				
Cash and Cash Equivalents	\$ 4,292,174	\$ 3,165,185	\$ 2,982,367	\$ 4,474,992
Investments	3,684,976	479,176	1,004,727	3,159,425
Receivables				
Other	0	100,000	100,000	0
Total Assets	\$ 7,977,150	\$ 3,744,361	\$ 4,087,094	\$ 7,634,417
Liabilities				
Funds Held for Others	\$ 7,977,150	\$ 2,677,430	\$ 3,020,163	\$ 7,634,417

(continued)

# State of Georgia

## Primary Government - Agency Funds Combining Statement of Changes in Assets and Liabilities (continued) For the Fiscal Year Ended June 30, 1999

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
<b>Insurance, Department of</b>				
Receiverships				
Assets				
Cash and Cash Equivalents	\$ 1,397,347	\$ 19,443	\$ 363,317	\$ 1,053,473
Liabilities				
Funds Held for Others	\$ 1,397,347	\$ 19,443	\$ 363,317	\$ 1,053,473
 <b>Medical Assistance, Department of</b>				
Medicaid Special Holding Account				
Assets				
Cash and Cash Equivalents	\$ 15,442,874	\$ 1,020,865,362	\$ 1,030,421,968	\$ 5,886,268
Receivables				
Other	22,565,299	4,425,414	—	26,990,713
Total Assets	<u>\$ 38,008,173</u>	<u>\$ 1,025,290,776</u>	<u>\$ 1,030,421,968</u>	<u>\$ 32,876,981</u>
Liabilities				
Funds Held for Others	<u>\$ 38,008,173</u>	<u>\$ 1,025,290,776</u>	<u>\$ 1,030,421,968</u>	<u>\$ 32,876,981</u>
 <b>Merit System of Personnel Administration, State Personnel Board</b>				
Deferred Compensation Program				
Assets				
Cash and Cash Equivalents	\$ (106,447)	\$ 106,447	\$ —	\$ 0
Deferred Compensation Plan Assets	394,622,648	—	394,622,648	0
Total Assets	<u>\$ 394,516,201</u>	<u>\$ 106,447</u>	<u>\$ 394,622,648</u>	<u>\$ 0</u>
Liabilities				
Funds Held for Others	<u>\$ 394,516,201</u>	<u>\$ —</u>	<u>\$ 394,516,201</u>	<u>\$ 0</u>
 Flexible Benefits Program				
Assets				
Cash and Cash Equivalents	\$ 3,543,351	\$ 60,744,335	\$ 58,908,103	\$ 5,379,583
Investments	7,904,214	6,776,434	7,904,214	6,776,434
Receivables				
Other	137,984	312,613	134,406	316,191
Total Assets	<u>\$ 11,585,549</u>	<u>\$ 67,833,382</u>	<u>\$ 66,946,723</u>	<u>\$ 12,472,208</u>
Liabilities				
Funds Held for Others	<u>\$ 11,585,549</u>	<u>\$ 2,143,290</u>	<u>\$ 1,256,631</u>	<u>\$ 12,472,208</u>

(continued)

# State of Georgia

## Primary Government - Agency Funds Combining Statement of Changes in Assets and Liabilities (continued) For the Fiscal Year Ended June 30, 1999

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
<b>Public Service Commission</b>				
Universal Access Fund				
Assets				
Cash and Cash Equivalents	\$ 124,699	\$ 39,736,645	\$ 35,234,959	\$ 4,626,385
Investments	1,319,613	7,708,442	1,319,613	7,708,442
Total Assets	<u>\$ 1,444,312</u>	<u>\$ 47,445,087</u>	<u>\$ 36,554,572</u>	<u>\$ 12,334,827</u>
Liabilities				
Funds Held for Others	<u>\$ 1,444,312</u>	<u>\$ 38,417,032</u>	<u>\$ 27,526,517</u>	<u>\$ 12,334,827</u>
Telecommunications Relay Service Fund				
Assets				
Cash and Cash Equivalents	\$ 0	\$ 7,865,847	\$ 5,917,001	\$ 1,948,846
Investments	0	5,218,010	—	5,218,010
Total Assets	<u>\$ 0</u>	<u>\$ 13,083,857</u>	<u>\$ 5,917,001</u>	<u>\$ 7,166,856</u>
Liabilities				
Funds Held for Others	<u>\$ 0</u>	<u>\$ 7,865,847</u>	<u>\$ 698,991</u>	<u>\$ 7,166,856</u>
<b>Revenue, Department of</b>				
Real Estate Transfer Tax				
Assets				
Cash and Cash Equivalents	\$ 2,190,467	\$ 52,530,586	\$ 53,156,992	\$ 1,564,061
Investments	12,266,962	14,323,524	12,266,962	14,323,524
Total Assets	<u>\$ 14,457,429</u>	<u>\$ 66,854,110</u>	<u>\$ 65,423,954</u>	<u>\$ 15,887,585</u>
Liabilities				
Funds Held for Others	<u>\$ 14,457,429</u>	<u>\$ 40,263,624</u>	<u>\$ 38,833,468</u>	<u>\$ 15,887,585</u>
<b>Treasury and Fiscal Services, Office of</b>				
Education Local Option Sales Tax Collections				
Assets				
Cash and Cash Equivalents	\$ (3,319,753)	\$ 969,829,212	\$ 962,578,906	\$ 3,930,553
Investments	53,864,985	60,183,292	53,864,985	60,183,292
Total Assets	<u>\$ 50,545,232</u>	<u>\$ 1,030,012,504</u>	<u>\$ 1,016,443,891</u>	<u>\$ 64,113,845</u>
Liabilities				
Funds Held for Others	<u>\$ 50,545,232</u>	<u>\$ 915,964,227</u>	<u>\$ 902,395,614</u>	<u>\$ 64,113,845</u>

(continued)

# State of Georgia

## Primary Government - Agency Funds Combining Statement of Changes in Assets and Liabilities (continued) For the Fiscal Year Ended June 30, 1999

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
<b>Treasury and Fiscal Services, Office of</b>				
Homestead Option Sales Tax Collections				
Assets				
Cash and Cash Equivalents	\$ (307,555)	\$ 86,534,690	\$ 85,905,201	\$ 321,934
Investments	4,990,263	4,929,340	4,990,263	4,929,340
Total Assets	\$ 4,682,708	\$ 91,464,030	\$ 90,895,464	\$ 5,251,274
Liabilities				
Funds Held for Others	\$ 4,682,708	\$ 81,544,427	\$ 80,975,861	\$ 5,251,274
Local Option Sales Tax Collections				
Assets				
Cash and Cash Equivalents	\$ (3,279,129)	\$ 902,175,119	\$ 895,666,839	\$ 3,229,151
Investments	53,205,830	49,443,670	53,205,830	49,443,670
Total Assets	\$ 49,926,701	\$ 951,618,789	\$ 948,872,669	\$ 52,672,821
Liabilities				
Funds Held for Others	\$ 49,926,701	\$ 848,969,289	\$ 846,223,169	\$ 52,672,821
Special Purpose Tax Collections				
Assets				
Cash and Cash Equivalents	\$ (2,795,478)	\$ 827,860,290	\$ 822,357,411	\$ 2,707,401
Investments	45,358,311	41,454,804	45,358,311	41,454,804
Total Assets	\$ 42,562,833	\$ 869,315,094	\$ 867,715,722	\$ 44,162,205
Liabilities				
Funds Held for Others	\$ 42,562,833	\$ 782,501,979	\$ 780,902,607	\$ 44,162,205
<b>Various Agencies and Departments</b>				
Other Agency Funds				
Assets				
Cash and Cash Equivalents	\$ 14,553,255	\$ 806,011,369	\$ 797,594,399	\$ 22,970,225
Investments	42,510,218	27,033,269	42,170,087	27,373,400
Receivables				
Intergovernmental - Federal	743,988	516,703	743,958	516,733
Other	2,925,961	10,886,589	11,459,604	2,352,946
Other Assets	37,733	38,340	38,533	37,540
Total Assets	\$ 60,771,155	\$ 844,486,270	\$ 852,006,581	\$ 53,250,844
Liabilities				
Funds Held for Others	\$ 60,764,230	\$ 783,572,251	\$ 791,092,562	\$ 53,243,919
Advances from Other Funds	6,925	—	—	6,925
Total Liabilities	\$ 60,771,155	\$ 783,572,251	\$ 791,092,562	\$ 53,250,844

Primary Government  
College and University Funds

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# State of Georgia

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## Primary Government - College and University Funds For the Fiscal Year Ended June 30, 1999

**Current Funds** account for resources that the Institutions may use for any purpose in carrying out their primary objectives.

**Unrestricted Current Funds** account for economic resources that are fully controlled by the Institutions and are used in the performance of their primary functions.

**Restricted Current Funds** account for externally restricted funds which may be utilized only in accordance with the purposes established by their source.

**Loan Funds** account for resources which have been made available for financial loans to students.

**Endowment and Similar Funds** account for assets that are subject to restrictions of gift instruments.

**Plant Funds** account for transactions involving physical properties of the Institutions.

**Unexpended Plant Funds** account for financial resources utilized to acquire or to construct physical properties.

**Renewals and Replacements Funds** account for resources set aside for the renewal and replacement of physical properties.

**Investment in Plant Funds** disclose amounts representing the book value of all physical properties owned.

**Agency Funds** account for resources held by Institutions as custodians or fiscal agents for individual students, faculty, staff members and organizations.

# State of Georgia

## Primary Government - College and University Funds

### Combining Balance Sheet

June 30, 1999

	Current Funds		Loan Funds	Endowment and Similar Funds
	Unrestricted	Restricted		
<b>Assets</b>				
Cash and Cash Equivalents	\$ 227,117,126	\$ 22,110,274	\$ 11,428,009	\$ 68,652,374
Investments	98,523,688	11,977,487	42,900	54,060,893
Receivables (Net of Allowances for Uncollectibles)				
Intergovernmental - Federal	1,935,199	37,523,823	—	—
Interest and Dividends	—	—	43,804	—
Notes and Loans	—	—	48,329,791	—
Other	117,253,330	52,381,058	25,160	62,989
Due from Other Funds	13,349,501	33,860	1,843,803	75,083
Inventories	27,419,946	—	—	—
Prepaid Items	11,470,841	703,592	—	—
Fixed Assets				
Land	—	—	—	—
Buildings	—	—	—	—
Improvements Other Than Buildings	—	—	—	—
Equipment	—	—	—	—
Construction in Progress	—	—	—	—
<b>Total Assets</b>	<b>\$ 497,069,631</b>	<b>\$ 124,730,094</b>	<b>\$ 61,713,467</b>	<b>\$ 122,851,339</b>
<b>Liabilities and Fund Equity</b>				
<b>Liabilities:</b>				
Accounts Payable and Other Accruals	\$ 167,004,806	\$ 674,244	\$ 30,571	\$ —
Compensated Absences Payable	91,903,055	16,104,051	—	—
Salaries/Withholdings Payable	7,268,253	—	—	—
Benefits Payable	25,300,000	—	—	—
Due to Other Funds	8,869,493	20,661,188	88,861	94,684
Deferred Revenue	86,088,036	—	—	—
Capital Leases Payable	—	—	—	—
Funds Held for Others	—	—	—	—
Other Liabilities	166,154	—	—	—
Deposits and Overpayments	2,701,562	—	—	—
Long-Term Debt Payable	—	—	—	—
Notes Payable	—	—	—	—
<b>Total Liabilities</b>	<b>\$ 389,301,359</b>	<b>\$ 37,439,483</b>	<b>\$ 119,432</b>	<b>\$ 94,684</b>
<b>Fund Equity:</b>				
U. S. Government Grants Refundable	\$ —	\$ —	\$ 47,745,528	\$ —
Institutional Loans - Restricted	—	—	13,830,503	—
Institutional Loans - Unrestricted	—	—	18,004	—
Endowment	—	—	—	101,503,301
Term Endowment	—	—	—	2,867,760
Quasi-Endowment - Unrestricted	—	—	—	7,686,726
Quasi-Endowment - Restricted	—	—	—	10,698,868
Net Investment in Plant	—	—	—	—
Restricted	—	87,290,611	—	—
Unrestricted	107,768,272	—	—	—
<b>Total Fund Equity</b>	<b>\$ 107,768,272</b>	<b>\$ 87,290,611</b>	<b>\$ 61,594,035</b>	<b>\$ 122,756,655</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 497,069,631</b>	<b>\$ 124,730,094</b>	<b>\$ 61,713,467</b>	<b>\$ 122,851,339</b>

Plant Funds			Agency Funds	Total Before Eliminations	Eliminations	Total (Memorandum Only)
Unexpended	Renewals and Replacements	Investment in Plant				
\$ 65,324,464	\$ 32,595,803	\$ —	\$ 39,954,858	\$ 467,182,908	\$ —	\$ 467,182,908
7,545,777	2,685,295	—	1,547,420	176,383,460	—	176,383,460
168,524	—	—	893,427	40,520,973	—	40,520,973
—	—	—	—	43,804	—	43,804
—	—	—	—	48,329,791	—	48,329,791
11,855,864	23,162	—	2,202,483	183,804,046	—	183,804,046
5,474,729	11,391,040	—	1,386,833	33,554,849	(33,554,849)	0
—	—	—	—	27,419,946	—	27,419,946
709,281	—	—	107,498	12,991,212	—	12,991,212
—	—	104,652,837	—	104,652,837	—	104,652,837
—	—	2,820,254,570	—	2,820,254,570	—	2,820,254,570
—	—	206,918,526	—	206,918,526	—	206,918,526
—	—	1,700,455,524	—	1,700,455,524	—	1,700,455,524
—	—	225,757,306	—	225,757,306	—	225,757,306
<u>\$ 91,078,639</u>	<u>\$ 46,695,300</u>	<u>\$ 5,058,038,763</u>	<u>\$ 46,092,519</u>	<u>\$ 6,048,269,752</u>	<u>\$ (33,554,849)</u>	<u>\$ 6,014,714,903</u>
\$ 69,031,106	\$ 8,318,648	\$ —	\$ 24,209,064	\$ 269,268,439	\$ —	\$ 269,268,439
22,314	—	—	—	108,029,420	—	108,029,420
—	—	—	—	7,268,253	—	7,268,253
—	—	—	—	25,300,000	—	25,300,000
3,594,651	651,212	—	1,245,967	35,206,056	(33,554,849)	1,651,207
—	—	—	—	86,088,036	—	86,088,036
—	—	21,667,956	—	21,667,956	—	21,667,956
—	—	—	20,637,488	20,637,488	—	20,637,488
1,287	—	—	—	167,441	—	167,441
—	—	—	—	2,701,562	—	2,701,562
—	—	326,274	—	326,274	—	326,274
<u>\$ 72,649,358</u>	<u>\$ 8,969,860</u>	<u>\$ 21,994,230</u>	<u>\$ 46,092,519</u>	<u>\$ 576,660,925</u>	<u>\$ (33,554,849)</u>	<u>\$ 543,106,076</u>
\$ —	\$ —	\$ —	\$ —	\$ 47,745,528	\$ —	\$ 47,745,528
—	—	—	—	13,830,503	—	13,830,503
—	—	—	—	18,004	—	18,004
—	—	—	—	101,503,301	—	101,503,301
—	—	—	—	2,867,760	—	2,867,760
—	—	—	—	7,686,726	—	7,686,726
—	—	—	—	10,698,868	—	10,698,868
—	—	5,036,044,533	—	5,036,044,533	—	5,036,044,533
7,892,217	—	—	—	95,182,828	—	95,182,828
10,537,064	37,725,440	—	—	156,030,776	—	156,030,776
<u>\$ 18,429,281</u>	<u>\$ 37,725,440</u>	<u>\$ 5,036,044,533</u>	<u>\$ 0</u>	<u>\$ 5,471,608,827</u>	<u>\$ 0</u>	<u>\$ 5,471,608,827</u>
<u>\$ 91,078,639</u>	<u>\$ 46,695,300</u>	<u>\$ 5,058,038,763</u>	<u>\$ 46,092,519</u>	<u>\$ 6,048,269,752</u>	<u>\$ (33,554,849)</u>	<u>\$ 6,014,714,903</u>

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———— Primary Government —————  
General Fixed Assets Account Group

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# State of Georgia

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## Primary Government - General Fixed Assets Account Group For the Fiscal Year Ended June 30, 1999

The **General Fixed Assets Account Group** is used to account for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all Primary Government fixed assets, except those accounted for in the Proprietary, Nonexpendable Trust, Pension Trust, and College and University funds.

# State of Georgia

## Schedule of General Fixed Assets By Function June 30, 1999

	Land and Buildings	Improvements Other Than Buildings	Equipment	Total
<b>Function</b>				
General Government	\$ 348,259,515	\$ —	\$ 66,738,703	\$ 414,998,218
Education	323,204,893	—	213,345,920	536,550,813
Health and Welfare	169,430,223	—	164,668,672	334,098,895
Transportation	—	—	205,731,554	205,731,554
Public Safety	794,587,591	—	177,743,326	972,330,917
Economic Development and Assistance	81,040,824	—	41,898,076	122,938,900
Culture and Recreation	202,666,621	614,918	72,648,169	275,929,708
Conservation	7,455,655	—	66,549,997	74,005,652
Capital Outlay	144,796,080	—	—	144,796,080
Total General Fixed Assets	\$ 2,071,441,402	\$ 614,918	\$ 1,009,324,417	\$ 3,081,380,737

# State of Georgia

## Schedule of Changes in General Fixed Assets By Function For the Fiscal Year Ended June 30, 1999

Function	General Fixed Assets July 1, 1998	Additions	Deletions	Retroactive Restatement of Prior Year Balance	General Fixed Assets June 30, 1999
General Government	\$ 395,635,531	\$ 22,506,628	\$ 3,143,941	\$ —	\$ 414,998,218
Education	472,443,554	76,986,197	13,126,460	247,522	536,550,813
Health and Welfare	314,746,107	34,333,944	15,745,841	764,685	334,098,895
Transportation	189,024,826	22,821,288	6,114,560	—	205,731,554
Public Safety	927,637,889	62,521,408	19,148,227	1,319,847	972,330,917
Economic Development and Assistance	113,873,845	11,854,428	967,212	(1,822,161)	122,938,900
Culture and Recreation	247,254,440	33,685,103	4,698,450	(311,385)	275,929,708
Conservation	71,242,071	3,911,694	1,148,113	—	74,005,652
Capital Outlay	183,030,038	30,763	38,264,721	—	144,796,080
	<u>\$ 2,914,888,301</u>	<u>\$ 268,651,453</u>	<u>\$ 102,357,525</u>	<u>\$ 198,508</u>	<u>\$ 3,081,380,737</u>

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Component Units  
Governmental Fund Types

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# State of Georgia

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## Component Units - Governmental Fund Types For the Fiscal Year Ended June 30, 1999

**Georgia Education Authority (Schools)** is responsible for construction and financing of buildings and facilities for the State board and local boards of education.

**Georgia Public Telecommunications Commission** is responsible for providing public telecommunications services statewide to meet the needs of the public in Georgia.

# State of Georgia

## Component Units - Governmental Fund Types Combining Balance Sheet June 30, 1999

	Georgia Education Authority (Schools)	Georgia Public Tele- communications Commission	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets and Other Debits</b>			
Assets:			
Cash and Cash Equivalents	\$ 157,860	\$ 513,883	\$ 671,743
Investments	474,796	310,284	785,080
Receivables (Net of Allowances for Uncollectibles)			
Other	—	747,391	747,391
Inventories	—	178,990	178,990
Prepaid Items	—	149,189	149,189
Fixed Assets			
Land and Buildings	—	27,360,330	27,360,330
Equipment	—	61,460,552	61,460,552
Other Debits:			
Amounts to be Provided for Retirement of General Long-Term Debt	—	11,645,754	11,645,754
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets and Other Debits	\$ <u>632,656</u>	\$ <u>102,366,373</u>	\$ <u>102,999,029</u>
<b>Liabilities, Fund Balances and Other Credits</b>			
Liabilities:			
Accounts Payable and Other Accruals	\$ —	\$ 4,788,092	\$ 4,788,092
Compensated Absences Payable	—	957,023	957,023
Salaries/Withholdings Payable	—	483,695	483,695
Due to Primary Government	—	144,725	144,725
Accrued Interest Payable	—	94,239	94,239
Deferred Revenue	—	497,958	497,958
Capital Leases/Installment Purchases Payable	—	10,688,731	10,688,731
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	\$ 0	\$ 17,654,463	\$ 17,654,463
Fund Balances and Other Credits:			
Other Credits:			
Investment in Fixed Assets	\$ —	\$ 88,820,882	\$ 88,820,882
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balances:			
Reserved for Other Specific Purposes	\$ —	\$ 378,096	\$ 378,096
Unreserved			
Designated for Future Capital Outlay	—	90,000	90,000
Undesignated	632,656	(4,577,068)	(3,944,412)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	\$ 632,656	\$ (4,108,972)	\$ (3,476,316)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances and Other Credits	\$ 632,656	\$ 84,711,910	\$ 85,344,566
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities, Fund Balances and Other Credits	\$ <u>632,656</u>	\$ <u>102,366,373</u>	\$ <u>102,999,029</u>

# State of Georgia

## Component Units - Governmental Fund Types Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 1999

	Georgia Education Authority (Schools)	Georgia Public Tele- communications Commission	Total
Revenues:			
Sales and Services	\$ —	\$ 3,428,339	\$ 3,428,339
Interest and Other Investment Income	31,475	19,929	51,404
Rents and Royalties	—	106,217	106,217
Contributions and Donations	—	9,891,064	9,891,064
Total Revenues	\$ 31,475	\$ 13,445,549	\$ 13,477,024
Expenditures:			
Culture and Recreation	\$ 0	\$ 31,998,361	\$ 31,998,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 31,475	\$ (18,552,812)	\$ (18,521,337)
Other Financing Sources:			
Operating Transfers from Primary Government	\$ —	\$ 18,766,640	\$ 18,766,640
Capital Lease	—	17,330	17,330
Operating Transfers from Primary Government	\$ 0	\$ 18,783,970	\$ 18,783,970
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ 31,475	\$ 231,158	\$ 262,633
Fund Balances, July 1	601,181	(4,340,130)	(3,738,949)
Fund Balances, June 30	\$ 632,656	\$ (4,108,972)	\$ (3,476,316)

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Component Units  
Proprietary Fund Types

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# State of Georgia

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## Component Units - Proprietary Fund Types For the Fiscal Year Ended June 30, 1999

**Proprietary Funds** are used to account for business-type activities. The State's major proprietary funds are described below:

The **Development Authority** assists agricultural and industrial interests in starting and expanding their operations by providing credit and servicing functions necessary to enable farmers and businessmen to obtain capital funds.

The **Environmental Facilities Authority** provides funding to eligible municipalities, counties and water and sewer authorities in the State for construction and expansion of public water and sewer facilities.

The **Housing and Finance Authority** assists in providing housing for low and moderate income families and persons unable to find adequate dwellings through the purchase or origination of mortgage loans. The authority also provides financing for the acquisition and construction of hospital facilities and equipment.

The **Jekyll Island State Park Authority** is responsible for developing and maintaining Jekyll Island and the adjacent marshes and marsh islands along the Atlantic coast in Glynn County, Georgia.

The **Lake Lanier Islands Development Authority** is responsible for the development, operation and maintenance of the islands in Lake Lanier for recreational purposes.

The **Lottery Corporation** is responsible for the provision of lotteries on behalf of the State.

The **Ports Authority** operates deepwater and inland barge terminals offering loading and off-loading facilities, storage warehouses and cargo transfer facilities. The authority also develops industrial sites on and adjacent to each port facility and makes these sites available to private industry.

The **Stone Mountain Memorial Association** operates Stone Mountain and the surrounding area as a Confederate memorial and a public recreation area.

The **Student Finance Authority** provides educational scholarships, grants and loan assistance to help Georgia residents obtain a higher education or other postsecondary training.

The **Tollway Authority** provides financing for the construction of toll highways and bridges in the State.

The **World Congress Center Authority** operates the World Congress Center, a comprehensive international trade and convention meeting facility providing exhibit space to handle large numbers of trade displays, and the Georgia Dome. The authority promotes trade shows, conventions, tourism and sporting events within the State.

The **Other Entities** column is an accumulation of the proprietary funds that are not individually material to the total assets presented on the proprietary fund type balance sheet. The State's other proprietary funds are described below:

The **Agricultural Exposition Authority** operates a facility at Perry, Georgia, where the agricultural community can exhibit and promote products and livestock, and where other public events may be held.

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# State of Georgia

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## Component Units - Proprietary Fund Types For the Fiscal Year Ended June 30, 1999

The **Agrirama Development Authority** operates and maintains an agricultural museum and restoration complex at Tifton, Georgia.

The **Higher Education Assistance Corporation** is responsible for the implementation of a guaranteed educational loan program within the State.

The **Highway Authority** administers a program for financing State roads and highways.

The **Georgia International and Maritime Trade Center Authority** was created to develop and promote the growth of the State's import and export markets through its ports and other transportation modes.

The **Music Hall of Fame Authority** was created to construct, operate and manage a facility to house the Georgia Music Hall of Fame.

The **North Georgia Mountains Authority** was created to acquire, build, equip, maintain, operate and promote recreation, accommodations and tourist facilities and services in the North Georgia Mountains area.

The **Rail Passenger Authority** was created for the purpose of construction, financing, operation and development of rail passenger service and other public transportation projects within and without the State of Georgia.

The **Sapelo Island Heritage Authority** was created to preserve the cultural and historic values of the Hog Hammock community on Greater Sapelo Island in McIntosh County, Georgia.

The **Seed Development Commission** receives and serves as an agent for breeders' seeds and other parent material. The commission also purchases, processes and resells breeders' and foundation seeds.

The **Sports Hall of Fame Authority** was created to construct and maintain a facility to house the Georgia Sports Hall of Fame to honor those, living or deceased, who by achievement or service have made outstanding and lasting contributions to sports and athletics in this State or elsewhere.

The **Superior Court Clerks' Cooperative Authority** was 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.

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# State of Georgia

## Component Units - Proprietary Fund Types Combining Balance Sheet June 30, 1999

	Development Authority	Environmental Facilities Authority	Housing and Finance Authority	Jekyll Island State Park Authority	Lake Lanier Islands Development Authority
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 453,735	\$ 75,763,755	\$ 9,411,427	\$ 3,033,913	\$ 667,861
Receivables (Net of Allowances for Uncollectibles)					
Intergovernmental - Federal	—	104,370,992	—	—	—
Interest and Dividends	2,206,651	4,304,251	651,320	—	—
Other					
Accounts	—	—	—	1,160,262	—
Miscellaneous	—	—	—	—	—
Due from Primary Government	—	1,668,657	—	247,993	—
Inventories	—	—	—	205,235	—
Prepaid Items	3,871	10,699	—	46,701	1,309
<b>Long-Term Assets:</b>					
Investments	940,481	199,741,488	45,154,126	2,691,229	4,612,329
Receivables					
Notes and Loans	80,554,254	468,720,449	3,932,758	—	—
<b>Restricted Assets</b>					
Cash and Cash Equivalents	—	—	135,786,071	—	—
Investments	—	—	36,995,504	—	—
Receivables					
Interest and Dividends	—	—	5,850,155	—	—
Loans	—	—	614,319,550	—	—
Deferred Charges	—	3,352,670	12,271,622	—	—
<b>Fixed Assets:</b>					
Land and Buildings	—	—	6,472,882	32,166,129	—
Improvements Other Than Buildings	—	—	—	—	—
Machinery and Equipment	—	295,942	1,552,877	3,736,278	13,456
Accumulated Depreciation	—	—	(2,615,681)	—	—
Construction in Progress	—	—	—	—	—
Other Assets	—	10,000	5,596,284	—	—
<b>Total Assets</b>	<b>\$ 84,158,992</b>	<b>\$ 858,238,903</b>	<b>\$ 875,378,895</b>	<b>\$ 43,287,740</b>	<b>\$ 5,294,955</b>

### Liabilities and Fund Equity

<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Cash Overdraft	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts Payable and Other Accruals	1,113,078	5,665,076	17,871,328	446,830	—
Compensated Absences Payable	—	—	—	453,901	20,102
Contracts Payable	—	—	—	—	—
Salaries/Withholdings Payable	—	—	—	244,376	—
Due to Primary Government	73	2,666	1,468	529,864	—
Interfund Payables	—	—	—	—	—
Accrued Interest Payable	—	3,750,000	3,941,981	370,861	—
Deferred Revenue	—	12,479,909	238,672	342,704	—
<b>Long-Term Liabilities:</b>					
Capital Leases/Installment Purchases Payable	—	—	—	—	—
Mortgage Loans under Repurchase Agreements	12,601,840	—	—	—	—
Funds Held for Others	—	—	—	471	—
Other Liabilities	—	—	2,000,000	—	—
Deposits and Overpayments	—	—	—	—	—
Advances from Primary Government	—	—	—	53,750	—
<b>Long-Term Debt Payable (Net of Unamortized Discounts)</b>					
Grand Prizes Payable	—	—	—	—	—
Notes and Loans Payable	41,452,842	—	—	—	—
Revenue Bonds Payable	—	82,766,845	769,765,901	—	—
<b>Total Liabilities</b>	<b>\$ 55,167,833</b>	<b>\$ 104,664,496</b>	<b>\$ 793,819,350</b>	<b>\$ 2,442,757</b>	<b>\$ 20,102</b>

Lottery Corporation	Ports Authority	Stone Mountain Memorial Association	Student Finance Authority	Tollway Authority	World Congress Center Authority	Other Entities	Total
\$ —	\$ 7,412,852	\$ 8,431,339	\$ 4,270,952	\$ 12,016,514	\$ 17,627,501	\$ 35,335,768	\$ 174,425,617
—	—	—	36,249	—	—	6,230,672	110,637,913
—	—	—	8,417,225	237,767	—	37,670	15,854,884
49,116,000	12,795,000	—	302,883	107,367	6,692,780	1,200,562	71,374,854
—	174,000	—	—	—	100,000	139,196	413,196
—	—	5	384,376	—	—	—	2,301,031
—	2,849,000	3,910	—	—	270,515	470,287	3,798,947
2,567,000	599,000	61,852	—	119,495	201,842	31,927	3,643,696
(10,573,511)	7,558,979	—	5,609,264	14,372,612	16,705,482	17,935,719	304,748,198
—	—	—	342,281,022	—	—	—	895,488,483
469,000	466,175	—	—	3,116,409	132,998	—	139,970,653
300,272,000	1,402,657	—	—	21,423,236	51,035,420	—	411,128,817
—	—	—	—	—	—	—	5,850,155
—	—	—	—	—	—	—	614,319,550
—	—	—	—	—	2,985,564	—	18,609,856
1,965,000	198,834,000	80,875,545	4,067,835	4,950,883	209,402,736	64,223,155	602,958,165
—	221,768,000	19,374,604	—	2,723,138	—	—	243,865,742
12,093,000	134,051,000	27,827,648	1,448,372	5,925,492	12,863,659	13,124,631	212,932,355
(11,372,000)	(218,830,000)	(37,742,396)	(2,712,723)	(5,926,108)	(54,936,233)	(422,165)	(334,557,306)
—	23,139,000	2,022,146	—	1,196,732	71,907,608	—	98,265,486
—	11,319,000	171,403	—	59,162,845	—	13,573	76,273,105
<u>\$ 344,536,489</u>	<u>\$ 403,538,663</u>	<u>\$ 101,026,056</u>	<u>\$ 364,105,455</u>	<u>\$ 119,426,382</u>	<u>\$ 334,989,872</u>	<u>\$ 138,320,995</u>	<u>\$ 3,672,303,397</u>

\$ 1,160,489	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,160,489
40,949,871	4,791,474	837,490	413,645	551,995	4,579,594	7,649,642	84,870,023
—	1,138,232	—	—	—	1,260,822	231,160	3,104,217
—	1,023,000	—	—	445,650	—	691,608	2,160,258
—	314,717	—	—	—	—	40,794	599,887
24,129	61,577	—	—	—	23,905	192,269	835,951
—	—	3,078,687	—	—	—	—	3,078,687
—	—	349,851	—	1,936,104	7,467,276	673	17,816,746
—	506,000	—	2,541,467	2,328,381	20,805,980	347,934	39,591,047
—	—	—	—	—	428,043	57,940	485,983
—	—	—	—	—	—	—	12,601,840
—	—	—	279,498,208	—	7,218	52,710	279,558,607
357,000	7,389,000	—	2,332,040	—	172,389	—	12,250,429
—	—	—	—	152,385	15,040,530	—	15,192,915
—	—	12,647,162	—	—	—	—	12,700,912
303,017,000	—	—	—	—	—	—	303,017,000
—	8,159,000	—	31,500,000	—	—	—	81,111,842
—	20,400,000	—	—	84,247,925	191,650,732	95,000	1,148,926,403
<u>\$ 345,508,489</u>	<u>\$ 43,783,000</u>	<u>\$ 16,913,190</u>	<u>\$ 316,285,360</u>	<u>\$ 89,662,440</u>	<u>\$ 241,436,489</u>	<u>\$ 9,359,730</u>	<u>\$ 2,019,063,236</u>

(continued)

# State of Georgia

## Component Units - Proprietary Fund Types Combining Balance Sheet (continued) June 30, 1999

	<u>Development Authority</u>	<u>Environmental Facilities Authority</u>	<u>Housing and Finance Authority</u>	<u>Jekyll Island State Park Authority</u>	<u>Lake Lanier Islands Development Authority</u>
Fund Equity and Other Credits:					
Other Credits					
Investment in General Fixed Assets	\$ —	\$ 295,942	\$ —	\$ —	\$ —
Fund Equity					
Contributed Capital					
State of Georgia	\$ —	\$ 229,644,304	\$ —	\$ 14,021,036	\$ 20,560,485
Federal Government	—	354,181,200	—	—	—
Other	—	—	—	—	—
Total Contributed Capital	\$ 0	\$ 583,825,504	\$ 0	\$ 14,021,036	\$ 20,560,485
Retained Earnings					
Reserved	\$ 1,890,276	\$ 9,670,745	\$ 30,518,174	\$ —	\$ 2,048,038
Unreserved	27,100,883	146,114,295	49,109,050	26,823,947	(17,333,670)
Total Retained Earnings	\$ 28,991,159	\$ 155,785,040	\$ 79,627,224	\$ 26,823,947	\$ (15,285,632)
Fund Balances					
Reserved for Other Specific Purposes					
Unreserved	\$ —	\$ 13,182,579	\$ —	\$ —	\$ —
	—	485,342	1,932,321	—	—
Total Fund Balances	\$ 0	\$ 13,667,921	\$ 1,932,321	\$ 0	\$ 0
Total Fund Equity	\$ 28,991,159	\$ 753,278,465	\$ 81,559,545	\$ 40,844,983	\$ 5,274,853
Total Fund Equity and Other Credits	\$ 28,991,159	\$ 753,574,407	\$ 81,559,545	\$ 40,844,983	\$ 5,274,853
Total Liabilities, Fund Equity and Other Credits	\$ 84,158,992	\$ 858,238,903	\$ 875,378,895	\$ 43,287,740	\$ 5,294,955

<u>Lottery Corporation</u>	<u>Ports Authority</u>	<u>Stone Mountain Memorial Association</u>	<u>Student Finance Authority</u>	<u>Tollway Authority</u>	<u>World Congress Center Authority</u>	<u>Other Entities</u>	<u>Total</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 295,942
\$ —	\$ 236,607,849	\$ 24,510,066	\$ —	\$ —	\$ 7,650,000	\$ 68,275,693	\$ 601,269,433
—	9,676,882	—	—	—	—	—	363,858,082
—	292,063	15,126,652	—	—	63,703,860	1,065,373	80,187,948
\$ 0	\$ 246,576,794	\$ 39,636,718	\$ 0	\$ 0	\$ 71,353,860	\$ 69,341,066	\$ 1,045,315,463
\$ (2,361,000)	\$ —	\$ —	\$ 26,470,501	\$ —	\$ 206,867	\$ 20,064,978	\$ 88,508,579
1,389,000	113,178,869	44,476,148	21,349,594	29,763,942	21,992,656	39,555,221	503,519,935
\$ (972,000)	\$ 113,178,869	\$ 44,476,148	\$ 47,820,095	\$ 29,763,942	\$ 22,199,523	\$ 59,620,199	\$ 592,028,514
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,182,579
—	—	—	—	—	—	—	2,417,663
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,600,242
\$ (972,000)	\$ 359,755,663	\$ 84,112,866	\$ 47,820,095	\$ 29,763,942	\$ 93,553,383	\$ 128,961,265	\$ 1,652,944,219
\$ (972,000)	\$ 359,755,663	\$ 84,112,866	\$ 47,820,095	\$ 29,763,942	\$ 93,553,383	\$ 128,961,265	\$ 1,653,240,161
\$ 344,536,489	\$ 403,538,663	\$ 101,026,056	\$ 364,105,455	\$ 119,426,382	\$ 334,989,872	\$ 138,320,995	\$ 3,672,303,397

# State of Georgia

## Component Units - Proprietary Fund Types Combining Statement of Revenues, Expenses and Changes in Fund Equity For the Fiscal Year Ended June 30, 1999

	Development Authority	Environmental Facilities Authority	Housing and Finance Authority	Jekyll Island State Park Authority	Lake Lanier Islands Development Authority
<b>Operating Revenues:</b>					
Contributions	\$ —	\$ —	\$ —	\$ —	\$ —
Interest and Other Investment Income	5,543,703	19,829,602	46,911,538	—	—
Intergovernmental	—	—	—	—	—
Rents and Royalties	—	—	1,150,980	4,329,548	3,155,729
Sales and Services	—	—	5,067,287	9,843,022	36,000
Taxes	—	—	—	1,250,838	399,856
Other	5,779	—	80,729	14,367	18,474
<b>Total Operating Revenues</b>	<b>\$ 5,549,482</b>	<b>\$ 19,829,602</b>	<b>\$ 53,210,534</b>	<b>\$ 15,437,775</b>	<b>\$ 3,610,059</b>
<b>Operating Expenses:</b>					
General and Administrative	\$ 618,337	\$ 767,282	\$ 8,568,421	\$ 11,771,193	\$ 590,136
Goods and Services	—	—	3,067,874	1,232,545	—
Interest	—	—	49,377,470	—	—
Prizes	—	—	—	—	—
Depreciation	—	—	573,790	—	—
Other	107,588	—	335,847	—	231,408
<b>Total Operating Expenses</b>	<b>\$ 725,925</b>	<b>\$ 767,282</b>	<b>\$ 61,923,402</b>	<b>\$ 13,003,738</b>	<b>\$ 821,544</b>
<b>Operating Income (Loss)</b>	<b>\$ 4,823,557</b>	<b>\$ 19,062,320</b>	<b>\$ (8,712,868)</b>	<b>\$ 2,434,037</b>	<b>\$ 2,788,515</b>
<b>Nonoperating Revenues (Expenses):</b>					
Contributions and Intergovernmental Revenue	\$ —	\$ —	\$ —	\$ 1,149	\$ —
Interest and Other Investment Income	67,008	11,335,394	12,624,259	228,506	244,702
Gain on Sale of Loans	—	—	—	—	—
Hotel/Motel Tax (Net)	—	—	—	—	—
Interest Expense	(2,598,210)	(3,881,403)	—	(370,861)	(1,402,154)
Other Debt Service Charges	—	—	(1,895,051)	—	—
Other	—	276,076	77,035	(120,820)	—
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ (2,531,202)</b>	<b>\$ 7,730,067</b>	<b>\$ 10,806,243</b>	<b>\$ (262,026)</b>	<b>\$ (1,157,452)</b>
<b>Net Income (Loss) Before Operating Transfers</b>	<b>\$ 2,292,355</b>	<b>\$ 26,792,387</b>	<b>\$ 2,093,375</b>	<b>\$ 2,172,011</b>	<b>\$ 1,631,063</b>
<b>Operating Transfers:</b>					
Transfers from Primary Government	\$ —	\$ 2,808,227	\$ —	\$ —	\$ —
Transfers to Primary Government	—	—	—	—	—
<b>Net Operating Transfers</b>	<b>\$ 0</b>	<b>\$ 2,808,227</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 2,292,355</b>	<b>\$ 29,600,614</b>	<b>\$ 2,093,375</b>	<b>\$ 2,172,011</b>	<b>\$ 1,631,063</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures from Governmental Operations and Expendable Trust Funds</b>	<b>—</b>	<b>(2,234,323)</b>	<b>382,984</b>	<b>—</b>	<b>—</b>
<b>Fund Equity, July 1</b>	<b>26,698,804</b>	<b>668,931,953</b>	<b>79,716,454</b>	<b>37,621,711</b>	<b>4,905,566</b>
Adjustments					
Change in Accounting Principle	—	—	—	—	—
Contributed Capital from Primary Government	—	21,503,796	—	1,517,719	—
Contributed Capital from Federal Government	—	35,476,425	—	—	—
Contributed Capital from Other Sources	—	—	—	—	—
Transfer of Contributed Capital to Primary Government	—	—	—	(466,458)	(1,261,776)
Transfer of Equity to Primary Government	—	—	(633,268)	—	—
Increase (Decrease) in Inventories	—	—	—	—	—
<b>Fund Equity, June 30</b>	<b>\$ 28,991,159</b>	<b>\$ 753,278,465</b>	<b>\$ 81,559,545</b>	<b>\$ 40,844,983</b>	<b>\$ 5,274,853</b>

Lottery Corporation	Ports Authority	Stone Mountain Memorial Association	Student Finance Authority	Tollway Authority	World Congress Center Authority	Other Entities	Total
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 50,170	\$ 50,170
—	—	—	6,007,079	—	—	—	78,291,922
—	—	—	—	—	—	25,644,011	25,644,011
—	—	9,448,925	—	46,754	37,140,044	1,694,864	56,966,844
1,952,989,000	89,180,000	—	2,029,368	22,368,463	22,853,389	22,326,419	2,126,692,948
—	—	—	—	—	—	—	1,650,694
—	—	310,815	120,409	—	—	21,847,104	22,397,677
<u>\$ 1,952,989,000</u>	<u>\$ 89,180,000</u>	<u>\$ 9,759,740</u>	<u>\$ 8,156,856</u>	<u>\$ 22,415,217</u>	<u>\$ 59,993,433</u>	<u>\$ 71,562,568</u>	<u>\$ 2,311,694,266</u>
\$ 20,674,000	\$ 19,103,000	\$ 4,176,534	\$ 4,899,816	\$ 3,568,698	\$ 21,873,593	\$ 35,881,406	\$ 132,492,416
226,875,000	44,164,000	—	33,395,063	3,819,327	28,103,116	4,566,939	345,223,864
—	—	—	—	—	—	—	49,377,470
1,059,585,000	—	—	—	—	—	—	1,059,585,000
1,338,000	15,479,000	5,829,857	301,581	1,133,179	8,785,709	409,836	33,850,952
1,202,000	—	—	9,101,414	955,601	—	35,883,771	47,817,629
<u>\$ 1,309,674,000</u>	<u>\$ 78,746,000</u>	<u>\$ 10,006,391</u>	<u>\$ 47,697,874</u>	<u>\$ 9,476,805</u>	<u>\$ 58,762,418</u>	<u>\$ 76,741,952</u>	<u>\$ 1,668,347,331</u>
<u>\$ 643,315,000</u>	<u>\$ 10,434,000</u>	<u>\$ (246,651)</u>	<u>\$ (39,541,018)</u>	<u>\$ 12,938,412</u>	<u>\$ 1,231,015</u>	<u>\$ (5,179,384)</u>	<u>\$ 643,346,935</u>
\$ —	\$ —	\$ 406,990	\$ —	\$ —	\$ —	\$ 867,766	\$ 1,275,905
(10,090,000)	1,581,096	510,671	866,341	2,225,945	3,496,088	2,307,865	25,397,875
—	—	—	970,920	—	—	—	970,920
—	—	—	—	—	19,448,228	3,085,535	22,533,763
—	(7,980,000)	(818,011)	(1,931,497)	(4,159,957)	(15,000,004)	(853,114)	(38,995,211)
—	—	—	—	(3,000)	(166,766)	(501)	(2,065,318)
177,000	554,000	(247,303)	372,335	(417,145)	(83,121)	(73,020)	515,037
<u>\$ (9,913,000)</u>	<u>\$ (5,844,904)</u>	<u>\$ (147,653)</u>	<u>\$ 278,099</u>	<u>\$ (2,354,157)</u>	<u>\$ 7,694,425</u>	<u>\$ 5,334,531</u>	<u>\$ 9,632,971</u>
<u>\$ 633,402,000</u>	<u>\$ 4,589,096</u>	<u>\$ (394,304)</u>	<u>\$ (39,262,919)</u>	<u>\$ 10,584,255</u>	<u>\$ 8,925,440</u>	<u>\$ 155,147</u>	<u>\$ 652,979,906</u>
\$ —	\$ —	\$ —	\$ 39,804,450	\$ —	\$ —	\$ 5,222,040	\$ 47,834,717
(646,905,000)	—	—	—	—	—	—	(646,905,000)
<u>\$ (646,905,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,804,450</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,222,040</u>	<u>\$ (599,070,283)</u>
\$ (13,503,000)	\$ 4,589,096	\$ (394,304)	\$ 541,531	\$ 10,584,255	\$ 8,925,440	\$ 5,377,187	\$ 53,909,623
—	—	—	—	—	—	7,576	(1,843,763)
12,531,000	358,286,567	103,533,445	47,278,564	19,179,687	87,048,133	122,313,028	1,568,044,912
—	—	—	—	—	(2,406,603)	—	(2,406,603)
—	8,446,000	—	—	—	—	1,664,259	33,131,774
—	—	—	—	—	—	—	35,476,425
—	—	—	—	—	—	23,800	23,800
—	(11,566,000)	(19,026,275)	—	—	—	(582,843)	(32,903,352)
—	—	—	—	—	—	—	(633,268)
—	—	—	—	—	(13,587)	158,258	144,671
<u>\$ (972,000)</u>	<u>\$ 359,755,663</u>	<u>\$ 84,112,866</u>	<u>\$ 47,820,095</u>	<u>\$ 29,763,942</u>	<u>\$ 93,553,383</u>	<u>\$ 128,961,265</u>	<u>\$ 1,652,944,219</u>

# State of Georgia

## Component Units - Proprietary Fund Types Combining Statement of Cash Flows For the Fiscal Year Ended June 30, 1999

	Development Authority	Environmental Facilities Authority	Housing and Finance Authority	Jekyll Island State Park Authority	Lake Lanier Islands Development Authority
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$ —	\$ —	\$ 5,371,545	\$ 15,321,910	\$ 454,330
Cash Received from Lease Agreements	—	—	—	—	3,155,729
Principal Payments Received on Program Loans	19,317,595	—	92,114,556	—	—
Interest Received on Program Loans	5,580,507	18,792,420	46,266,952	—	—
Cash Paid to Vendors	(428,455)	372,979	(3,777,087)	(5,698,674)	(565,171)
Cash Paid to Employees	(431,909)	(695,669)	(5,232,144)	(7,303,765)	(172,582)
Cash Paid for Lottery Prizes	—	—	—	—	—
Origination of Program Loans	(24,697,000)	(22,127,892)	(106,674,990)	—	—
Governmental and Fiduciary Fund Type Activity (Net)	—	4,435,832	(4,209,657)	(460)	—
Other Operating Items (Net)	—	—	—	—	—
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (659,262)</b>	<b>\$ 777,670</b>	<b>\$ 23,859,175</b>	<b>\$ 2,319,011</b>	<b>\$ 2,872,306</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Operating Transfers from Primary Government	\$ —	\$ 2,808,227	\$ —	\$ —	\$ —
Proceeds from Assignment of Program Loans Under Repurchase Agreements	333,935	—	—	—	—
Issuance of Bonds/Loans/Notes	10,602,975	—	87,034,603	—	—
Contributed Capital	—	58,591,332	—	—	—
Hotel/Motel Tax (Net)	—	—	—	—	—
Operating Transfers to Primary Government	—	—	—	—	—
Principal Paid on Bonds/Loans/Notes	(6,745,055)	—	(98,950,099)	—	—
Interest Paid on Bonds/Loans/Notes	(2,807,717)	—	(46,937,417)	—	—
Return of Contributed Capital	—	—	—	—	(1,261,776)
Other Debt Service Payments	—	—	(2,436,014)	—	—
Other Noncapital Items (Net)	—	(2,020,169)	—	15,806	—
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>\$ 1,384,138</b>	<b>\$ 59,379,390</b>	<b>\$ (61,288,927)</b>	<b>\$ 15,806</b>	<b>\$ (1,261,776)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Issuance of Bonds/Loans/Notes	\$ —	\$ —	\$ —	\$ —	\$ —
Hotel/Motel Tax Received	—	—	—	—	—
Contributed Capital	—	—	—	1,269,726	—
Sale of Capital Assets	—	—	—	—	—
Acquisition and Construction of Capital Assets	—	—	(142,888)	(1,744,235)	—
Principal Paid on Bonds/Loans/Notes	—	(5,870,000)	—	—	—
Interest Paid on Bonds/Loans/Notes	—	(2,499,100)	—	—	(1,402,154)
Other Debt Service Payments	—	—	—	—	—
Other Capital and Related Items (Net)	—	—	—	—	—
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>\$ 0</b>	<b>\$ (8,369,100)</b>	<b>\$ (142,888)</b>	<b>\$ (474,509)</b>	<b>\$ (1,402,154)</b>
<b>Cash Flows from Investing Activities:</b>					
Purchase of Investments (Net)	\$ (375,196)	\$ 12,640,401	\$ 9,284,520	\$ 939,809	\$ (1,367,673)
Interest on Investments	67,008	11,335,394	14,627,088	228,506	300,046
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>\$ (308,188)</b>	<b>\$ 23,975,795</b>	<b>\$ 23,911,608</b>	<b>\$ 1,168,315</b>	<b>\$ (1,067,627)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 416,688</b>	<b>\$ 75,763,755</b>	<b>\$ (13,661,032)</b>	<b>\$ 3,028,623</b>	<b>\$ (859,251)</b>
Cash and Cash Equivalents, July 1	37,047	0	158,858,530	5,290	1,527,112
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ 453,735</b>	<b>\$ 75,763,755</b>	<b>\$ 145,197,498</b>	<b>\$ 3,033,913</b>	<b>\$ 667,861</b>

Lottery Corporation	Ports Authority	Stone Mountain Memorial Association	Student Finance Authority	Tollway Authority	World Congress Center Authority	Other Entities	Total
\$ 1,942,433,207	\$ 88,561,000	\$ 483,620	\$ 4,195,604	\$ 22,684,160	\$ 110,895,030	\$ 69,984,831	\$ 2,260,385,237
—	—	9,448,925	—	—	—	—	12,604,654
—	—	—	—	—	—	—	111,432,151
—	—	—	5,511,804	—	—	—	76,151,683
(229,582,000)	(25,014,000)	(3,988,389)	(46,384,501)	(7,321,397)	(77,310,310)	(70,838,642)	(470,535,647)
(15,361,000)	(42,974,000)	(3,000,448)	—	—	(21,250,844)	(4,689,909)	(101,112,270)
(1,076,140,000)	—	—	—	—	—	—	(1,076,140,000)
—	—	—	(12,082,652)	—	—	—	(165,582,534)
—	—	—	1,006,983	—	1,015	10,199	1,243,912
—	—	—	—	—	868,110	—	868,110
\$ 621,350,207	\$ 20,573,000	\$ 2,943,708	\$ (47,752,762)	\$ 15,362,763	\$ 13,203,001	\$ (5,533,521)	\$ 649,315,296
\$ —	\$ —	\$ —	\$ 39,804,450	\$ —	\$ —	\$ 5,222,040	\$ 47,834,717
—	—	—	—	—	—	—	333,935
—	—	—	52,586,153	—	—	—	150,223,731
—	—	—	—	—	—	—	58,591,332
—	—	—	—	—	3,627,624	2,993,783	6,621,407
(646,905,000)	—	—	—	—	—	—	(646,905,000)
—	—	—	(50,400,000)	—	—	—	(156,095,154)
—	—	—	(1,931,497)	—	—	—	(51,676,631)
—	(11,566,000)	(3,300,425)	—	—	—	(582,843)	(16,711,044)
—	—	—	—	—	—	—	(2,436,014)
(5,887,441)	506,000	1,213,393	372,335	—	237,195	732,794	(4,830,087)
\$ (652,792,441)	\$ (11,060,000)	\$ (2,087,032)	\$ 40,431,441	\$ 0	\$ 3,864,819	\$ 8,365,774	\$ (615,048,808)
\$ —	\$ 3,000,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,000,000
—	—	—	—	—	15,521,237	—	15,521,237
—	8,446,000	—	—	—	—	251,380	9,967,106
93,000	107,000	—	—	—	—	—	200,000
(1,068,000)	(24,491,000)	(1,806,227)	(455,191)	(2,375,713)	(8,220,194)	(5,082,334)	(45,385,782)
—	(286,000)	—	—	(1,415,000)	(3,150,000)	(45,000)	(10,766,000)
—	(1,283,000)	(516,575)	—	(3,570,159)	(15,042,443)	(852,326)	(25,165,757)
—	—	—	—	(3,000)	(24,590)	(501)	(28,091)
—	140,000	—	—	—	3,835,000	—	3,975,000
\$ (975,000)	\$ (14,367,000)	\$ (2,322,802)	\$ (455,191)	\$ (7,363,872)	\$ (7,080,990)	\$ (5,728,781)	\$ (48,682,287)
\$ 27,615,234	\$ (109,097)	\$ —	\$ 8,077,511	\$ (7,379,064)	\$ (20,784,509)	\$ 8,057,284	\$ 36,599,220
4,924,000	1,574,000	510,671	808,094	2,045,674	3,165,178	2,312,893	41,898,552
\$ 32,539,234	\$ 1,464,903	\$ 510,671	\$ 8,885,605	\$ (5,333,390)	\$ (17,619,331)	\$ 10,370,177	\$ 78,497,772
\$ 122,000	\$ (3,389,097)	\$ (955,455)	\$ 1,109,093	\$ 2,665,501	\$ (7,632,501)	\$ 7,473,649	\$ 64,081,973
347,000	11,268,124	9,386,794	3,161,859	12,467,422	25,393,000	27,862,119	250,314,297
\$ 469,000	\$ 7,879,027	\$ 8,431,339	\$ 4,270,952	\$ 15,132,923	\$ 17,760,499	\$ 35,335,768	\$ 314,396,270

(continued)

# State of Georgia

## Component Units - Proprietary Fund Types Combining Statement of Cash Flows (continued) For the Fiscal Year Ended June 30, 1999

	Development Authority	Environmental Facilities Authority	Housing and Finance Authority	Jekyll Island State Park Authority	Lake Lanier Islands Development Authority
Operating Income (Loss)	\$ 4,823,557	\$ 19,062,320	\$ (8,712,868)	\$ 2,434,037	\$ 2,788,515
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation/Amortization	\$ —	\$ —	\$ (70,796)	\$ —	\$ —
Interest	—	—	49,377,470	—	—
Other	—	4,435,832	(3,873,810)	(460)	—
Changes in Assets and Liabilities:					
Decrease (Increase) in Intergovernmental Receivables	—	—	—	—	—
Decrease (Increase) in Interest and Dividends Receivable	31,025	215,765	—	—	—
Increase in Notes and Loans Receivable	(5,238,334)	(22,217,892)	(14,560,434)	—	—
Decrease (Increase) in Other Receivables	—	—	—	(139,741)	112,463
Decrease (Increase) in Due from Primary Government	—	—	—	—	—
Decrease (Increase) in Inventories	—	—	—	(4,237)	—
Decrease (Increase) in Prepaid Items	(3,871)	—	—	40,860	(156)
Decrease (Increase) in Other Assets	—	90,000	(927,451)	—	—
Increase (Decrease) in Accounts Payable and Other Accruals	228,288	444,592	2,627,448	(72,086)	(30,672)
Increase (Decrease) in Compensated Absences Payable	—	—	—	40,185	2,156
Increase (Decrease) in Contracts Payable	—	—	—	—	—
Increase (Decrease) in Salaries/Withholdings Payable	—	—	—	(13,079)	—
Increase (Decrease) in Due to Primary Government	73	—	(384)	9,656	—
Increase (Decrease) in Deferred Revenue	(500,000)	(1,252,947)	—	23,876	—
Decrease in Other Liabilities	—	—	—	—	—
Increase in Deposits and Overpayments	—	—	—	—	—
Increase in Grand Prizes Payable	—	—	—	—	—
Total Adjustments	<u>\$ (5,482,819)</u>	<u>\$ (18,284,650)</u>	<u>\$ 32,572,043</u>	<u>\$ (115,026)</u>	<u>\$ 83,791</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (659,262)</u>	<u>\$ 777,670</u>	<u>\$ 23,859,175</u>	<u>\$ 2,319,011</u>	<u>\$ 2,872,306</u>
Noncash Investing, Capital, and Financing Activities:					
Disposal of Fixed Assets	\$ —	\$ —	\$ —	\$ (135,478)	\$ —
Donation of Fixed Assets	—	—	—	—	—
Interest Earned on Grand Prize Investments and Grand Prizes Payable	—	—	—	—	—
Gain on Privatization Agreement	—	—	—	—	—
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (135,478)</u>	<u>\$ 0</u>

Lottery Corporation	Ports Authority	Stone Mountain Memorial Association	Student Finance Authority	Tollway Authority	World Congress Center Authority	Other Entities	Total
\$ 643,315,000	\$ 10,434,000	\$ (246,651)	\$ (39,541,018)	\$ 12,938,412	\$ 1,231,015	\$ (5,179,384)	\$ 643,346,935
\$ 1,338,000	\$ 15,479,000	\$ 5,829,857	\$ 301,581	\$ 2,088,780	\$ 8,785,709	\$ 409,836	\$ 34,161,967
(22,235,000)	—	—	2,843,500	—	1,063,853	10,199	49,377,470
—	—	—	170,214	—	—	(1,355,875)	(1,185,661)
—	—	—	(495,275)	—	—	—	(248,485)
—	—	—	(12,082,652)	—	—	—	(54,099,312)
(10,555,793)	224,000	108,336	1,362,975	(18,962)	6,286	(208,968)	(9,109,404)
—	—	—	(384,376)	—	—	56	(384,320)
—	(103,000)	20,800	—	—	(40,861)	215	(127,083)
(681,000)	(435,000)	382,688	—	(117,607)	(42,209)	(3,672)	(859,967)
—	(341,000)	64,469	—	—	—	224,573	(889,409)
4,085,014	(3,774,918)	(3,215,791)	87,690	(96,728)	1,161,502	438,618	1,882,957
—	—	—	—	—	64,691	(21,400)	85,632
—	(419,000)	—	—	280,963	—	172,881	34,844
—	—	—	—	—	—	25,095	12,016
7,986	10,918	—	(135,316)	—	4,123	191,772	88,828
—	(502,000)	—	682,852	268,765	446,182	(237,467)	(1,070,739)
(92,000)	—	—	(562,937)	—	—	—	(654,937)
—	—	—	—	19,140	522,710	—	541,850
6,168,000	—	—	—	—	—	—	6,168,000
\$ (21,964,793)	\$ 10,139,000	\$ 3,190,359	\$ (8,211,744)	\$ 2,424,351	\$ 11,971,986	\$ (354,137)	\$ 5,968,361
\$ 621,350,207	\$ 20,573,000	\$ 2,943,708	\$ (47,752,762)	\$ 15,362,763	\$ 13,203,001	\$ (5,533,521)	\$ 649,315,296
\$ (38,000)	\$ —	\$ —	\$ —	\$ (422,274)	\$ (119,548)	\$ (113,984)	\$ (829,284)
—	—	406,990	—	—	98,598	1,683,342	2,188,930
22,235,000	—	—	—	—	—	—	22,235,000
—	—	952,697	—	—	—	—	952,697
\$ 22,197,000	\$ 0	\$ 1,359,687	\$ 0	\$ (422,274)	\$ (20,950)	\$ 1,569,358	\$ 24,547,343

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Component Units

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Fiduciary Fund Types

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# State of Georgia

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## Component Units - Fiduciary Fund Types For the Fiscal Year Ended June 30, 1999

The **Firefighter's Pension Fund** is used to account for the accumulation of resources for the purpose of paying retirement benefits to the firemen of the State of Georgia.

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 of Georgia.

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 of Georgia.

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 **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 of Georgia.

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 of Georgia.

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 the public schools and the University System of Georgia.

# State of Georgia

## Component Units - Fiduciary Fund Types

### Combining Statement of Plan Net Assets

June 30, 1999

	<u>Firefighters' Pension Fund</u>	<u>Judges of the Probate Courts Retirement Fund</u>	<u>Peace Officers' Annuity and Benefit Fund</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 5,280	\$ 6,587	\$ 1,394,281
Investments	349,286,020	38,307,433	277,213,080
Receivables (Net of Allowances for Uncollectibles)			
Interest and Dividends	2,634,273	328,310	1,768,071
Other			
Miscellaneous	—	—	—
Prepaid Items	—	—	—
Fixed Assets			
Land and Buildings	138,054	—	310,296
Equipment	185,172	606	183,628
<b>Total Assets</b>	<u>\$ 352,248,799</u>	<u>\$ 38,642,936</u>	<u>\$ 280,869,356</u>
<b>Liabilities</b>			
Accounts Payable and Other Accruals	\$ —	\$ —	\$ —
Salaries/Withholdings Payable	—	85	885
Capital Leases Payable	—	—	11,392
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 85</u>	<u>\$ 12,277</u>
<b>Fund Balances Reserved for Pension Benefits</b>	<u>\$ 352,248,799</u>	<u>\$ 38,642,851</u>	<u>\$ 280,857,079</u>

Public School Employees Retirement System	Sheriffs' Retirement Fund	Superior Court Clerks' Retirement Fund	Teachers' Retirement System	Total
\$ 215,000	\$ 20,858	\$ 86,483	\$ 1,270,810	\$ 2,999,299
770,366,000	44,546,835	38,299,758	38,541,060,000	40,059,079,126
—	377,088	—	228,764,000	233,871,742
3,000	—	—	180,453,495	180,456,495
—	—	—	50,093	50,093
—	—	—	—	448,350
—	20,620	19,739	—	409,765
<u>\$ 770,584,000</u>	<u>\$ 44,965,401</u>	<u>\$ 38,405,980</u>	<u>\$ 38,951,598,398</u>	<u>\$ 40,477,314,870</u>
\$ 304,000	\$ —	\$ 35,625	\$ 2,029,018	\$ 2,368,643
—	—	—	76,287	77,257
—	—	—	—	11,392
<u>\$ 304,000</u>	<u>\$ 0</u>	<u>\$ 35,625</u>	<u>\$ 2,105,305</u>	<u>\$ 2,457,292</u>
<u><u>\$ 770,280,000</u></u>	<u><u>\$ 44,965,401</u></u>	<u><u>\$ 38,370,355</u></u>	<u><u>\$ 38,949,493,093</u></u>	<u><u>\$ 40,474,857,578</u></u>

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Statistical Section

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# State of Georgia

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## Statistical Section Index

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# State of Georgia

## General Governmental Expenditures by Function (1)

For the Last Nine Fiscal Years (2)

Table 1

	1999	1998	1997	1996
Expenditures by Function				
General Government	\$ 744,530,087	\$ 653,302,692	\$ 637,247,287	\$ 471,240,748
Education (4)	6,531,830,567	6,155,220,908	5,700,389,994	4,998,994,142
Health and Welfare	6,786,022,660	6,479,723,177	6,796,847,561	6,558,077,298
Transportation	1,638,089,933	1,385,250,996	1,113,788,591	1,287,172,005
Public Safety	1,333,092,110	1,193,748,916	1,124,542,047	1,104,443,315
Economic Development and Assistance	347,537,124	264,913,965	263,090,507	294,112,317
Culture and Recreation	192,199,439	185,622,125	170,667,100	169,961,642
Conservation	51,118,994	45,865,385	48,769,799	46,557,857
Capital Outlay	392,319,581	346,296,387	373,677,146	391,876,879
Debt Service	681,973,633	645,791,398	629,588,332	571,524,445
Intergovernmental	(3)	(3)	(3)	(3)
 Total General Governmental Expenditures	 \$ 18,698,714,128	 \$ 17,355,735,949	 \$ 16,858,608,364	 \$ 15,893,960,648

(1) General Governmental Functions include general, special revenue, capital projects and debt service funds.

(2) The state did not prepare financial statements in conformity with generally accepted accounting principles until the fiscal year ended June 30, 1991. Comparable data for earlier years is not available.

(3) The "Intergovernmental" expenditure category was eliminated in 1993. Such expenditures are categorized by "Current" expenditure function.

(4) In fiscal year 1995, the state began recording a liability and related expenditures for teachers' summer salaries.

	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
\$	539,762,518	\$ 409,630,033	\$ 380,920,519	\$ 297,671,885	\$ 307,358,275
	4,625,591,699	4,168,677,500	3,738,241,752	3,356,647,585	3,429,066,240
	5,693,088,331	5,257,989,665	4,684,027,431	4,159,170,527	3,589,402,101
	1,401,010,780	975,771,056	1,088,108,187	898,101,022	1,056,209,827
	1,030,957,652	891,894,168	798,451,763	702,543,743	706,878,373
	190,029,084	175,159,029	184,179,867	186,742,307	173,618,821
	156,234,675	121,413,898	116,370,238	103,007,704	97,930,563
	45,875,856	45,299,326	42,923,710	40,267,999	43,968,291
	493,326,267	325,340,789	347,403,119	249,777,992	242,582,555
	537,800,975	427,689,905	451,136,869	409,267,811	417,490,455
	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>	<u>325,890,492</u>	<u>330,633,230</u>
\$	<u>14,713,677,837</u>	<u>\$ 12,798,865,369</u>	<u>\$ 11,831,763,455</u>	<u>\$ 10,729,089,067</u>	<u>\$ 10,395,138,731</u>

# State of Georgia

## General Governmental Revenues by Source (1) For the Last Nine Fiscal Years (2) Table 2

	1999	1998	1997	1996
Revenues by Source				
Taxes (4)	\$ 12,021,751,940	\$ 11,439,170,422	\$ 10,483,497,704	\$ 9,891,126,837
Licenses and Permits	397,962,567	346,081,148	351,181,927	343,118,630
Intergovernmental	5,923,606,145	5,617,029,811	5,549,805,877	5,457,487,877
Sales and Services	581,123,782	536,827,964	513,909,314	363,320,801
Fines and Forfeits	41,657,448	49,204,317	50,426,165	32,022,270
Interest and Other Investment Income	300,699,674	275,999,300	239,306,741	242,059,488
Rents and Royalties	16,872,007	13,920,492	9,992,943	17,600,277
Contributions and Donations	187,061,598	192,209,388	190,841,985	169,020,652
Penalties and Interest on Taxes	5,991,314	9,485,653	6,699,639	9,082,163
Unclaimed Property	26,104,874	20,690,958	20,118,021	25,809,698
General Obligation Bond Proceeds	720,607,460	257,123,411	373,248,075	960,650,338
Other Revenue (3)	7,209,322	5,409,857	32,522,511	6,781,951
 Total General Governmental Revenues	 \$ 20,230,648,131	 \$ 18,763,152,721	 \$ 17,821,550,902	 \$ 17,518,080,982

- (1) General Governmental Revenues include general, special revenue, capital projects and debt service funds and proceeds from the issuance of General Obligation bonds.
- (2) The state did not prepare financial statements in conformity with generally accepted accounting principles until the fiscal year ended June 30, 1991. Comparable data for earlier years is not available.
- (3) The increase in Other Revenue in Fiscal Year 1994 is primarily due to the recognition of revenue in the General Fund for Distance Learning and Telemedicine funds; these funds were reflected previously in Agency Funds as the Universal Service Fund.
- (4) In fiscal year 1995, the state began accounting for certain tax revenues on the modified accrual basis.

	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
\$	9,068,979,799	\$ 8,337,801,318	\$ 7,761,536,952	\$ 7,014,576,028	\$ 6,913,824,337
	335,061,015	323,679,549	273,530,522	156,555,971	142,682,174
	4,837,628,972	4,163,447,196	4,024,383,231	3,481,785,992	3,059,490,557
	339,380,452	304,600,443	273,321,290	284,191,405	254,698,693
	34,043,976	32,570,070	27,968,839	26,684,051	23,819,450
	184,686,971	131,238,703	122,575,976	113,224,780	138,668,503
	17,733,647	9,285,637	22,275,341	25,757,175	18,912,013
	170,464,588	149,621,154	103,743,601	95,966,335	39,881,852
	8,282,630	16,110,883	18,888,188	17,936,355	19,715,782
	19,815,272	19,935,473	34,611,896	11,798,133	10,972,108
	727,775,339	977,957,328	356,333,042	667,655,288	612,441,613
	24,833,072	121,670,497	6,437,851	9,936,790	19,964,620
	<u>15,768,685,733</u>	<u>14,587,918,251</u>	<u>13,025,606,729</u>	<u>11,906,068,303</u>	<u>11,255,071,702</u>

# State of Georgia

## State Tax Revenues by Source - All Governmental Fund Types

For the Last Ten Fiscal Years

Table 3

	1999	1998	1997	1996
Source:				
Income	\$ 6,667,051,445	\$ 6,133,784,892	\$ 5,488,547,143	\$ 4,964,393,724
General Sales	4,323,189,194	4,238,397,531	4,062,494,318	3,954,442,920
Selective Sales				
Motor Fuel	428,150,221	405,269,766	387,418,653	391,550,566
Alcoholic Beverages	132,903,384	126,825,895	124,667,603	121,702,379
Cigars/Cigarettes	87,355,714	80,051,470	76,391,777	91,248,012
Insurance Premium	211,908,338	212,839,904	204,744,512	196,508,650
Estate	111,192,262	84,808,642	60,295,856	66,538,071
Property	40,727,315	36,021,442	35,630,751	33,091,530
Corporation Net Worth	4,512,621	108,615,750	24,185,794	21,511,434
Other	14,761,446	12,555,130	19,121,297	50,139,551
Total Tax Revenues - All Governmental Fund Types	\$ 12,021,751,940	\$ 11,439,170,422	\$ 10,483,497,704	\$ 9,891,126,837

(1) In Fiscal Year 1995, the state began accounting for certain tax revenues on the modified accrual basis.

Sources: Fiscal Year 1990 - Annual Audit Reports: Georgia Departments of Revenue and Insurance  
Fiscal Years 1991-1999 - Georgia Comprehensive Annual Financial Report

Note: Governmental Fund Types are described in the Notes to the Financial Statements.

	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
\$	4,498,902,508	\$ 4,102,592,850	\$ 3,850,571,615	\$ 3,452,551,939	\$ 3,355,808,517	\$ 3,342,947,428
	3,651,583,790	3,361,513,613	3,072,269,685	2,777,595,357	2,754,539,969	2,724,130,258
	379,119,386	365,243,573	345,758,031	332,156,403	324,407,536	327,180,367
	114,681,538	110,633,761	111,976,311	113,642,855	114,245,028	116,471,315
	86,176,720	83,186,371	84,714,936	84,102,100	84,893,427	86,370,739
	187,190,136	162,867,502	196,175,858	161,691,146	184,369,909	164,258,642
	73,607,282	87,808,192	39,103,941	37,583,865	41,261,832	27,616,177
	31,106,689	29,969,838	28,039,074	25,866,148	24,341,012	23,313,141
	25,338,172	18,830,421	18,428,111	18,062,835	17,951,998	18,338,297
	<u>21,273,578</u>	<u>15,155,197</u>	<u>14,499,390</u>	<u>11,323,380</u>	<u>12,005,109</u>	<u>6,380,430</u>
(1)						
\$	<u>9,068,979,799</u>	<u>\$ 8,337,801,318</u>	<u>\$ 7,761,536,952</u>	<u>\$ 7,014,576,028</u>	<u>\$ 6,913,824,337</u>	<u>\$ 6,837,006,794</u>

# State of Georgia

## Principal Nongovernmental Employers

June 30, 1999

Table 4

Company	Number of Employees
Wal-Mart Stores, Incorporated	32,515
Delta Air Lines, Incorporated *	27,552
BellSouth Corporation *	21,651
Promina Health System *	18,000
Shaw Industries, Incorporated *	17,350
Publix Super Markets, Incorporated	17,000
The Southern Company/Georgia Power Company *	13,603
Columbia Healthcare Corporation	12,000
Mohawk Industries Incorporated *	11,750
Emory System of Health Care*	10,800
AT&T Company	10,550
K-Mart Corporation	10,500
The Kroger Company	10,500
CVS Corporation	10,000
Winn Dixie Stores, Incorporated	10,000
Bank of America	10,000
Lockheed Georgia Corporation	9,759
Georgia-Pacific Corporation *	9,600
United Parcel Service *	9,500
Beaulieu of America, LLC*	9,000
Dayton Hudson/Target Stores	8,600
Cox Enterprises*	7,720
Lucent Technologies	7,300
IBM Incorporated	7,200
Springs Industries, Incorporated	6,310
SunTrust Banks, Incorporated*	6,118
Home Depot, Incorporated *	6,091
Marriott International Incorporated	5,700
General Motors Corporation	5,641
Morris Communications*	5,600
Federated Department Stores	5,340
National Service Industries, Incorporated *	5,306
Southwire Company*	5,300
RTM Restaurant Group*	5,250
Sears, Roebuck and Company	5,200
Coca-Cola Company*	5,150
J.C. Penney Company	5,100
Wachovia Corporation	5,100
Queen Carpet Corporation*	5,000
Gold Kist Corporation*	5,000

\* Indicates Georgia Headquarters

Source: Georgia Department of Industry, Trade and Tourism, January, 2000

# State of Georgia

## Computation of Legal Debt Margin

June 30, 1999

Table 5

Treasury Receipts - Fiscal Year Ended June 30, 1998 (1) \$ 12,478,602,944

**Legal Debt Margin:**

Highest Annual Commitments Permitted Under Constitutional Limitation (10% of above) \$ 1,247,860,294

Highest Total Annual Commitments in any Fiscal Year (Highest FY 2000) \$ 634,072,712

As a Percentage of FY 1998 State Treasury Receipts 5.08%

As a Percentage of FY 1999 State Treasury Receipts 4.68%

(1) Includes Indigent Care Trust Fund Receipts and Lottery Proceeds

Source: Georgia State Financing and Investment Commission

### Ratio of Annual Debt Service Expenditures For General Obligation Debt to Total General Governmental Expenditures (1) For the Last Nine Fiscal Years (2)

Table 6

Fiscal Year	General Bonded Debt			General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures
	Principal	Interest and Other Fiscal Charges	Total Debt Service		
1999	\$ 448,960,000	\$ 230,772,839	\$ 679,732,839	\$ 18,698,714,128	3.64%
1998	387,030,000	258,317,069	645,347,069	17,355,735,949	3.72%
1997	392,165,000	236,835,498	629,000,498	16,858,608,364	3.73%
1996	352,300,000	218,523,118	570,823,118	15,893,960,648	3.59%
1995	350,385,000	186,826,275	537,211,275	14,713,677,837	3.65%
1994	246,840,000	179,738,306	426,578,306	12,798,865,369	3.33%
1993	258,548,346	191,022,895	449,571,241	11,831,763,455	3.80%
1992	243,921,646	164,291,856	408,213,502	10,729,089,067	3.80%
1991	274,980,000	135,960,182	410,940,182	10,395,138,731	3.95%

(1) See Table 1, Total General Governmental Expenditures

(2) The state did not prepare financial statements in conformity with generally accepted accounting principles until the fiscal year ended June 30, 1991. Comparable data for earlier years is not available.

Source: Georgia Comprehensive Annual Financial Report

# State of Georgia

## Demographic Statistics For the Last Ten Calendar Years

**Table 7**

Calendar Year	Population	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
1999	7,788,240	25,106 *	1,422,941	4.00%
1998	7,642,207	25,020	1,401,291	4.20%
1997	7,486,242	24,061	1,346,761	4.50%
1996	7,353,225	22,709	1,311,126	4.60%
1995	7,102,000	21,278	1,271,903	4.90%
1994	7,055,000	20,251	1,233,362	5.20%
1993	6,917,000	19,278	1,205,357	5.80%
1992	6,773,000	18,549	1,174,437	6.90%
1991	6,623,000	17,364	1,148,256	5.00%
1990	6,478,000	17,045	1,126,352	5.40%

Source: Population - U. S. Department of Commerce, Bureau of the Census  
 Per Capita Income - U. S. Department of Commerce, Bureau of Economic Analysis  
 Public School Enrollment - Georgia Department of Education  
 Note: Calculation Method for Public School Enrollment Changed in 1990  
 Unemployment Rate - Georgia Department of Labor

\* Fiscal Year 1999 Per Capita Income not available. Amount reported is Revised 1998  
 Preliminary Per Capita Income for the State of Georgia.

## Schedule of Bank Deposits For the Last Ten Years (Dollars in Thousands)

**Table 8**

Fiscal Year	Commercial Banks	Savings and Loan Associations	Total Deposits
1999*	\$ 84,455,298	\$ 5,035,513	\$ 89,490,811
1998	77,505,212	4,191,658	81,696,870
1997	42,235,312	4,798,940	47,034,252
1996	91,933,990	4,640,878	96,574,868
1995	66,895,898	5,107,013	72,002,911
1994	62,065,439	5,285,489	67,350,928
1993	60,063,284	5,180,763	65,244,047
1992	55,066,858	10,659,544	65,726,402
1991	52,295,306	13,140,105	65,435,411
1990	49,912,986	13,406,430	63,319,416

Source: Federal Reserve Bank of Atlanta

\* Deposits reported for Fiscal Year 1999 are preliminary deposits for the State of Georgia.

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# State of Georgia

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## Miscellaneous Statistics

June 30, 1998

Table 9

Date Entered Union	January 2, 1788
Form of Government	Legislative-Executive-Judicial
Miles of State Highway	17,983
Land Area	59,441 Square Miles

### State Police Protection:

Number of Stations	47
Number of State Troopers	821

### State Colleges and Universities:

Number of Separate Institutions	34
Number of Active Educators	7,729
Number of Students	200,102

### Recreation:

Number of State Parks	48
Number of Historic Sites	15
Area of State Parks and Historic Sites	73,143 acres

Sources: Facts About the States, 1989 - Kane, Anzovin, Podell  
Georgia Descriptions in Data, 1988 - Georgia Office of Planning and Budget  
State and Metropolitan Area Data Book, 1991 - U. S. Department of Commerce  
Georgia Department of Transportation  
Georgia Department of Public Safety  
Board of Regents of the University System of Georgia  
Georgia Department of Natural Resources