

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)**

**FINANCIAL STATEMENTS
AND COMPLIANCE REPORTS**

As of and for the Year Ended June 30, 2020

And Report of Independent Auditor

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
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Report of Independent Auditor

To the Board of Directors
Georgia State University Research Foundation, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of Georgia State University Research Foundation, Inc., a component unit of the State of Georgia, (the “Research Foundation”), which comprise the statement of net position as of June 30, 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Research Foundation’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the Research Foundation, as of June 30, 2020, and the respective changes in net position and the cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the Research Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Research Foundation's internal control over financial reporting and compliance.

Cherry Bekert LLP

Atlanta, Georgia
December 17, 2020

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
Management's Discussion and Analysis

Introduction

Georgia State University Research Foundation, Inc. ("GSURF") is a non-profit corporation created to support the research activities of Georgia State University (the "University"). GSURF supports such research activities by accepting and administering grants/contracts received in support of research proposals submitted by University employees through GSURF. The University is one of the 26 institutions of the University System of Georgia. The University, located in Atlanta, Georgia, was founded in 1913. The University offers associates, baccalaureate, masters, specialist, and doctoral degrees in a wide variety of subjects.

Science Park, LLC ("Science Park") qualifies as a component unit of GSURF due to GSURF's ability to impose its will on Science Park (financial accountability). Science Park is a tax-exempt limited liability company with GSURF as its sole member. Science Park was created to develop a 204,725 square-foot science research facility (the "Project"). Science Park leased the facility to the Board of Regents, which oversees the public colleges and universities that comprise the University System of Georgia and has oversight of the Georgia Archives and the Georgia Public Library System, for the use and benefit of the University. The Statement of Net Position, the Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows of Science Park are shown as a special revenue fund using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body's operational responsibility for Science Park through management appointment.

While Georgia State University set a record for research awards in FY20, (over \$150 million), the COVID-19 pandemic had a clear impact on the University's overall research enterprise. While record-setting, FY20 research awards were less than expected, with Q1 awards (\$76 million) projecting an annual FY20 award level of approximately \$200 million, only to have lower actual awards in Q3 and Q4 of FY20, likely due to the coronavirus disruptions, both on campus and among funding agencies. In addition to lower than projected award levels, coronavirus risk mitigation requirements (e.g., social distancing, essential workers only on campus, limitations on human subjects research, remote working) resulted in research staff continuing to be paid on research projects (with the concurrence of the funding agency) but with little or no work conducted on some sponsored research, creating a future budget shortfall in FY21.

Of interest and perhaps reflective of the emphasis on coronavirus research and basic science investments, our awards from the two major biomedical and natural science funding agencies, the National Science Foundation (NSF) and the National Institutes of Health (NIH) doubled between FY 19 and FY 20, from \$37 million to \$74 million.

In fiscal year 2020, Science Park initiated a contract with Siemens Industry, Inc. to replace the existing laboratory air flow control system with new controllers and actuators on the seventh and eighth floors of the Petit Science Center. The total cost of the contract is \$915,325 and is expected to be completed in fiscal year 2021. Work in progress of \$393,962 was recorded in relation to this contract at June 30, 2020.

The GSU Research Center, LLC ("Research Center") qualifies as a component unit of GSURF due to GSURF's ability to impose its will on the Research Center (financial accountability). The Research Center is a limited liability company with GSURF as its sole member. The purpose of the Research Center is to acquire, manage, develop, lease, and operate a certain property in DeKalb County, Georgia. The Statement of Net Position, the Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows of the Research Center are shown using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body's operational responsibility for the Research Center through management appointment.

Panthers on Pryor, LLC qualifies as a component unit of GSURF due to GSURF's ability to impose its will on Panthers on Pryor, LLC (financial accountability). Panthers on Pryor, LLC is a limited liability company with GSURF as its sole member. The purpose of Panthers on Pryor, LLC is to acquire, manage, develop, lease, and operate a certain property in Atlanta, Georgia. The Statement of Net Position, the Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows of Panthers on Pryor, LLC are shown using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body's operational responsibility for Panthers on Pryor, LLC through management appointment.

Panther Bookstore, LLC (the "Bookstore") qualifies as a component unit of GSURF due to GSURF's ability to impose its will on the Bookstore (financial accountability). The Bookstore is a limited liability company with GSURF as its sole member. The purpose of the Bookstore is to acquire, manage, develop, lease, and operate certain property in Atlanta, Georgia. The Statement of Net Position, the Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows of the Bookstore are shown using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body's operational responsibility for the Bookstore through management appointment.

GSURF along with the entities presented as blended component units described above are collectively referred to as the "Research Foundation."

The following discussion and analysis is of the Research Foundation's financial performance. A comparison of funding for grants awarded cumulatively to Georgia State University and the Research Foundation for a three-year period follows.

Georgia State University Grant Award Funding

FY 2020	\$172,858,100
FY 2019	\$128,148,400
FY 2018	\$122,910,200

The Board of Directors of GSURF consists of ten current voting members. The following seven directors hold office by virtue of their responsibilities at the University (even if they are serving in an acting capacity): the Vice President for Research, President, Provost, Vice President for Finance and Administration, Chief Legal Officer, Chair of the University's Senate Research Committee, and the Associate Vice President for Research. The following four directors are elected annually: one college dean elected by the Dean's Group of the University; two members of the University's Senate Research Committee elected by that committee; a member of the faculty of the University, elected by the Senate Research Committee. Other members of the Board may be elected at any time by the affirmative vote of a majority of Board members, or as authorized by resolution of the Board of Directors. The directors serve on the Board of Directors for unlimited terms as long as they hold their positions in good standing at the University.

Overview of the Financial Statements and Financial Analysis

GSURF is pleased to present its financial statements for fiscal year 2020. The emphasis of discussions about these statements will be on comparative year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. This discussion and analysis of the Research Foundation's financial statements provides an overview of its financial activities for the year.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, and net position of the Research Foundation as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to readers of the financial statements a fiscal snapshot of the Research Foundation. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Deferred Outflows of Resources, Liabilities (current and noncurrent), and Net Position (assets minus liabilities). From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the Research Foundation.

The Statement of Net Position is classified into components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The *restricted* component of net position consists of restricted assets reduced by liabilities related to those assets. *Restricted - other* are resources that the Research Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. *Unrestricted - committed* represents resources that have been committed by the Research Foundation to fund endowments for the Georgia Research Alliance Eminent Scholars in Molecular and Translational Medicine, Microbial Pathogenesis, and Brain Health/Image Analysis Research. *Unrestricted net position* represents resources derived from contracts, grants and fees. These resources are used for the ongoing operations of the Research Foundation and may be used at the discretion of the governing board to meet current expenses for those purposes and to enhance programs at the University.

Statements of Net Position, Condensed

	June 30, 2020	June 30, 2019	Change	% Change
Assets:				
Current assets	\$ 52,348,700	\$ 51,576,951	\$ 771,749	1%
Capital assets, net	7,561,418	7,880,627	(319,209)	(4%)
Other assets	79,285,382	77,907,812	1,377,570	2%
Total assets	<u>139,195,500</u>	<u>137,365,390</u>	<u>1,830,110</u>	<u>1%</u>
Deferred outflows of resources:				
Deferred losses	7,518,505	7,937,156	(418,651)	(5%)
Total deferred outflows of resources	<u>7,518,505</u>	<u>7,937,156</u>	<u>(418,651)</u>	<u>(5%)</u>
Liabilities:				
Current liabilities	40,548,608	38,644,091	1,904,517	5%
Noncurrent liabilities	75,508,591	78,352,524	(2,843,933)	(4%)
Total liabilities	<u>116,057,199</u>	<u>116,996,615</u>	<u>(939,416)</u>	<u>(1%)</u>
Net position:				
Net investment in capital assets	7,561,418	7,880,627	(319,209)	(4%)
Restricted	1,550,000	1,550,000	-	0%
Restricted - other	7,262,830	7,315,223	(52,393)	(1%)
Unrestricted - committed	4,652,231	4,648,750	3,481	0%
Unrestricted	9,630,327	6,911,331	2,718,996	39%
Total net position	<u>\$ 30,656,806</u>	<u>\$ 28,305,931</u>	<u>\$ 2,350,875</u>	<u>8%</u>

During fiscal year 2020, total assets increased by 1% or \$1,830,130. This was due to an increase of \$771,749 in current assets, an increase of \$1,377,570 in other assets and a decrease of \$319,189 in capital assets. More specifically, the increase in current assets is primarily made up of increases of approximately \$468,760 in cash and equivalents, \$728,550 in advance payments to GSU, and \$323,430 in accounts receivable. The current portion of net investment in direct financing lease increased by approximately \$107,560, accounts receivable reserve increased by \$250,000, and prepaid expenditures increased by \$25,000. Unbilled project costs decreased by approximately \$631,550 and capital assets, net decreased by \$319,190 due to current year depreciation expense offset by additions for construction work in progress for Science Park. Other assets is affected by a decrease in the long-term portion of net investment in direct financing lease of approximately \$2,544,830 and an increase in noncurrent accounts receivable of \$72,000. Science Park invested \$4,000,000 in the Board of Regents of the University System of Georgia Pooled Investment Fund Program beginning in September 2019 which led to an overall increase in investments of \$3,826,690.

Total liabilities decreased by 1% or \$939,396. This was due to an increase in sponsored project deferred revenue of approximately \$716,400, which offsets the increase in advance payments to GSU in current assets. Additionally, there was an increase in deferred revenue from intellectual property licensing agreements of approximately \$151,950 and in accounts payable of approximately \$978,940, while bonds payable decreased by approximately \$2,728,930 and accrued interest decreased by approximately \$57,750. The total net position increased by 8% or \$2,350,875 during fiscal year 2020 from \$28,305,931 at June 30, 2019.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues earned by the Research Foundation, both operating and nonoperating, and the expenses incurred by the Research Foundation, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the Research Foundation. Generally speaking, operating revenues are received for providing goods and services for the activities of the Research Foundation. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the Research Foundation. Nonoperating revenues are revenues received for which goods and services are not provided. Depreciation is provided for capital assets, and there are required subtotals for net operating income or loss and net income or loss before additions to nonexpendable funds.

Statements of Revenues, Expenses, and Changes in Net Position, Condensed

	June 30, 2020	June 30, 2019	Change	% Change
Operating revenues	\$ 106,320,193	\$ 94,958,765	\$ 11,361,428	12%
Operating expenses	102,377,780	92,621,684	9,756,096	11%
Operating income	3,942,413	2,337,081	1,605,332	69%
Nonoperating revenues (expenses)	(1,591,538)	(456,584)	(1,134,954)	(249%)
Change in net position	2,350,875	1,880,497	470,378	25%
Net position at beginning of year	28,305,931	26,425,434	1,880,497	7%
Net position at end of year	\$ 30,656,806	\$ 28,305,931	\$ 2,350,875	8%

The Statement of Revenues, Expenses, and Changes in Net Position reflects an 8% increase in net position or \$2,350,875 for fiscal year 2020.

Operating revenues in fiscal year 2020 increased by 12% or \$11,361,428. This was due to an increase in federal, state, local, and private grants of approximately \$11,420,420 combined, a decrease in the income from investment in direct financing lease of approximately \$95,790, and an increase in licensing fees of approximately \$36,800.

Operating expenses in fiscal year 2020 increased by 11% or \$9,756,096. This was due to increased payments to the University for project costs of approximately \$10,662,940 and a decrease in general and administrative expenses of approximately \$912,593.

Nonoperating revenues (expenses) in fiscal year 2020 decreased by 249% or \$1,134,954. This was primarily due to a private gift of \$750,000 received in fiscal year 2019. Additionally, the Research Foundation's income on investments decreased by approximately \$198,620, while parking and rental income decreased by approximately \$137,760 combined.

Statement of Cash Flows

The final statement presented by the Research Foundation is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Research Foundation during the year. The statement is divided into four parts. The first section reflects operating cash flows and shows the net cash provided by the operating activities of the Research Foundation. The second section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The third section reflects the capital and related financing activities of the Research Foundation and presents the cash used in capital and related financing activities. The fourth section reconciles the net cash used to the operating income reflected on the Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Cash Flows is not presented in a condensed format.

Capital Assets

At June 30, 2020 and 2019, capital assets consisted of the following:

	2020	2019
Capital assets, not being depreciated:		
Land	\$ 2,034,619	\$ 2,034,619
Construction work in progress	393,962	-
Total capital assets, not being depreciated	<u>2,428,581</u>	<u>2,034,619</u>
Capital assets, being depreciated		
Buildings and improvements	4,479,341	4,595,069
Facilities and other improvements	623,827	1,213,186
Equipment	29,669	37,753
Total capital assets being depreciated, net	<u>5,132,837</u>	<u>5,846,008</u>
Capital assets, net	<u>\$ 7,561,418</u>	<u>\$ 7,880,627</u>

Economic Outlook

The Research Foundation is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the fiscal year beyond those unknown variations having a global effect on virtually all types of business operations. The Research Foundation's overall financial position is strong and it is well-positioned to respond to the increasing research portfolio of the University. The Research Foundation anticipates the current fiscal year will be much like the prior year and will watch over resources to maintain the Research Foundation's ability to react to unknown internal and external issues.

Overall, we expect FY21 research awards to continue to experience a decrease due to the coronavirus. FY21 Q1 awards (\$68 million) are approximately 10% lower than the corresponding quarter in FY20, and we expect FY21 awards to be slightly less than FY20, but still among the highest years ever. To a large extent, FY21 research awards are dependent on Congressional legislation that could provide financial support for higher education, including funds dedicated to the research enterprise to compensate for the adverse effects of COVID-19 on research productivity. Federal funding may also provide additional funds for coronavirus-related research, which we are well-positioned to capitalize on based on our strong faculty and high containment laboratory capability (BSL3 and BSL4 labs).

Contacting the Research Foundation's Management

This financial report is designed to provide a general overview of the Research Foundation's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Gary Brennaman, Business Manager, at P.O. Box 3999, Atlanta, Georgia 30302-3999 or gbrennaman@gsu.edu.

Statement of Net Position

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
STATEMENT of NET POSITION
JUNE 30, 2020

	Georgia State University Research Foundation, Inc.	<u>Component Unit</u> Science Park, LLC	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 6,201,471	\$ 906,431	\$ 7,107,902
Cash and cash equivalents - restricted	-	5,857,368	5,857,368
Accounts receivable:			
Research project contracts	8,015,038	-	8,015,038
Georgia State University	2,451,482	-	2,451,482
Other receivable	86,946	-	86,946
Allowance for doubtful accounts	(400,000)	-	(400,000)
Net investment in direct financing lease	-	2,544,826	2,544,826
Prepaid expenditures	25,000	-	25,000
Unbilled project costs	9,545,671	-	9,545,671
Advance payments to Georgia State University	17,114,467	-	17,114,467
Total current assets	<u>43,040,075</u>	<u>9,308,625</u>	<u>52,348,700</u>
Noncurrent assets			
Net investment in direct financing lease	-	65,074,274	65,074,274
Other receivables	72,000	-	72,000
Investments	10,133,876	4,005,232	14,139,108
Capital assets, net	7,167,456	393,962	7,561,418
Total noncurrent assets	<u>17,373,332</u>	<u>69,473,468</u>	<u>86,846,800</u>
TOTAL ASSETS	<u>60,413,407</u>	<u>78,782,093</u>	<u>139,195,500</u>
Deferred outflows of resources			
Deferred loss on debt refunding	-	2,247,752	2,247,752
Deferred loss on direct financing lease amendment	-	5,270,753	5,270,753
Total deferred outflows of resources	<u>-</u>	<u>7,518,505</u>	<u>7,518,505</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 60,413,407</u>	<u>\$ 86,300,598</u>	<u>\$ 146,714,005</u>

See notes to the financial statements.

Statement of Net Position, continued

	Georgia State University Research Foundation, Inc.	<u>Component Unit</u> Science Park, LLC	<u>Total</u>
Current liabilities			
Accounts payable:			
Georgia State University	\$ 18,898,646	\$ -	\$ 18,898,646
Other	166,637	393,962	560,599
Deferred revenue:			
Sponsored projects	17,079,438	-	17,079,438
Other	151,950	-	151,950
Bonds payable, current portion	-	2,425,000	2,425,000
Accrued interest payable	-	1,432,975	1,432,975
Total current liabilities	<u>36,296,671</u>	<u>4,251,937</u>	<u>40,548,608</u>
Noncurrent liabilities			
Bonds payable	-	75,508,591	75,508,591
Total noncurrent liabilities	-	<u>75,508,591</u>	<u>75,508,591</u>
TOTAL LIABILITIES	<u>36,296,671</u>	<u>79,760,528</u>	<u>116,057,199</u>
Net position			
Net investment in capital assets	7,167,456	393,962	7,561,418
Restricted	1,550,000	-	1,550,000
Restricted - other	1,116,722	6,146,108	7,262,830
Unrestricted - committed	4,652,231	-	4,652,231
Unrestricted	9,630,327	-	9,630,327
TOTAL NET POSITION	<u>\$ 24,116,736</u>	<u>\$ 6,540,070</u>	<u>\$ 30,656,806</u>

See notes to the financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
STATEMENT of REVENUES, EXPENSES, and CHANGES in NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Georgia State University Research Foundation, Inc.	Component Unit <u>Science Park, LLC</u>	Total
Operating revenues			
Federal grants and contracts	\$ 79,272,112	\$ -	\$ 79,272,112
State grants and contracts	1,790,899	-	1,790,899
Private and local grants and contracts	22,181,873	-	22,181,873
Income from investment in direct financing lease	-	2,852,285	2,852,285
Other	223,024	-	223,024
Total operating revenues	<u>103,467,908</u>	<u>2,852,285</u>	<u>106,320,193</u>
Operating expenses			
Payments to Georgia State University for project costs	98,460,116	-	98,460,116
Depreciation	713,171	-	713,171
General and administrative	3,133,389	71,104	3,204,493
Total operating expenses	<u>102,306,676</u>	<u>71,104</u>	<u>102,377,780</u>
Total operating income	<u>1,161,232</u>	<u>2,781,181</u>	<u>3,942,413</u>
Nonoperating revenues (expenses)			
Interest and dividend income	381,542	152,067	533,609
Net unrealized and realized gains (losses) on investments	(41,706)	58,330	16,624
Interest expense	-	(2,555,086)	(2,555,086)
Other	413,315	-	413,315
Total non operating revenues (expenses)	<u>753,151</u>	<u>(2,344,689)</u>	<u>(1,591,538)</u>
Change in net position	1,914,383	436,492	2,350,875
Net position, beginning of year	<u>22,202,353</u>	<u>6,103,578</u>	<u>28,305,931</u>
Net position, end of year	<u>\$ 24,116,736</u>	<u>\$ 6,540,070</u>	<u>\$ 30,656,806</u>

See notes to the financial statements.

Statement of Cash Flows

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
STATEMENT of CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Georgia State University Research Foundation, Inc.	<u>Component Unit</u> Science Park, LLC	<u>Total</u>
Cash flows from operating activities			
Received from sponsors	\$ 104,572,373	\$ -	\$ 104,572,373
Received from Georgia State University	-	2,852,285	2,852,285
Payments to Georgia State University	(98,628,705)	-	(98,628,705)
Payments to suppliers	(2,883,390)	(71,104)	(2,954,494)
Net cash provided by operating activities	<u>3,060,278</u>	<u>2,781,181</u>	<u>5,841,459</u>
Cash flows from investing activities			
Proceeds from sales of investments	182,983	-	182,983
Purchases of investments	(29,520)	(4,000,000)	(4,029,520)
Income (loss) on investments	(16,623)	53,098	36,475
Other income	413,315	-	413,315
Interest and dividend income	381,542	152,067	533,609
Principal Payments on direct financing lease	-	2,437,269	2,437,269
Net cash provided by (used in) investing activities	<u>931,697</u>	<u>(1,357,566)</u>	<u>(425,869)</u>
Cash flows from capital and related financing activities			
Principal payments on bonds payable	-	(2,310,000)	(2,310,000)
Interest paid on bonds payable	-	(2,636,831)	(2,636,831)
Net cash used in capital and related financing activities	<u>-</u>	<u>(4,946,831)</u>	<u>(4,946,831)</u>
Net increase (decrease) in cash and cash equivalents	3,991,975	(3,523,216)	468,759
Cash and cash equivalents			
Beginning of year	<u>2,209,496</u>	<u>10,287,015</u>	<u>12,496,511</u>
End of year	<u>\$ 6,201,471</u>	<u>\$ 6,763,799</u>	<u>\$ 12,965,270</u>

See notes to the financial statements.

Statement of Cash Flows, continued

	Georgia State University Research Foundation, Inc.	<u>Component Unit</u> Science Park, LLC	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 1,161,232	\$ 2,781,181	\$ 3,942,413
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	713,171	-	713,171
Changes in assets and liabilities:			
Accounts receivable reserve	250,000	-	250,000
Accounts receivable and unbilled project costs	236,118	-	236,118
Advance payments to Georgia State University	(728,548)	-	(728,548)
Prepaid expenditures	(25,000)	-	(25,000)
Accounts payable	584,959	-	584,959
Deferred revenue	868,346	-	868,346
Net cash provided by operating activities	<u>\$ 3,060,278</u>	<u>\$ 2,781,181</u>	<u>\$ 5,841,459</u>
Reconciliation to total cash and cash equivalents included in the Statement of Net Position			
Cash and cash equivalents	\$ 6,201,471	\$ 906,431	\$ 7,107,902
Cash and cash equivalents - restricted	-	5,857,368	5,857,368
Total cash and cash equivalents included in the Statement of Net Position	<u>\$ 6,201,471</u>	<u>\$ 6,763,799</u>	<u>\$ 12,965,270</u>
Noncash investing, capital and financing activities			
Unrealized gain/(loss) on investments	\$ (25,083)	\$ 5,232	\$ (19,851)
Accrual for purchased capital assets	\$ -	\$ 393,962	\$ 393,962

See notes to the financial statements.

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 – Organization

Georgia State University Research Foundation, Inc. (“GSURF”), a component unit of the State of Georgia, was established to contribute to the scientific, literary, educational, and charitable functions of Georgia State University (the “University”) in securing gifts, contributions, and grants from individuals, private organizations, and public agencies, and in obtaining contracts with such individuals or entities for the performance of sponsored research, development, or other programs by the various colleges, schools, departments, or other units of the University.

Grants awarded to GSURF are then provided to the University, which is responsible for the fiscal administration of the grants.

Note 2 – Summary of significant accounting policies

Basis of presentation

The financial statements of GSURF have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and in accordance with Governmental Accounting Standards Board (“GASB”) applicable to governments. The financial statement presentation required by U.S. GAAP provides a comprehensive, entity-wide perspective of GSURF’s assets, deferred outflows of resources, liabilities, net position, revenues, expenses, changes in net position, and cash flows. In addition, these statements require GSURF to present a Management’s Discussion and Analysis (“MD&A”). The MD&A is considered to be required supplemental information and precedes the financial statements.

Reporting entity

In accordance with U.S. GAAP, GSURF qualifies for treatment as a component unit of the State of Georgia; therefore, GSURF’s financial statements are included in the State of Georgia’s comprehensive annual financial report.

Science Park, LLC (“Science Park”) qualifies as a component unit of GSURF due to GSURF’s ability to impose its will on Science Park (financial accountability). Science Park is a tax-exempt limited liability company with GSURF as its sole member. Science Park was created to develop a 204,725 square-foot science research facility (the “Project”). Science Park leased the facility to the Board of Regents for the use and benefit of the University. The statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows of Science Park are shown as a special revenue fund using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body’s operational responsibility for Science Park through management appointment.

The GSU Research Center, LLC (“Research Center”) qualifies as a component unit of GSURF due to GSURF’s ability to impose its will on the Research Center (financial accountability). The Research Center is a limited liability company with GSURF as its sole member. The purpose of the Research Center is to acquire, manage, develop, lease, and operate a certain property in DeKalb County, Georgia. The statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows of the Research Center are shown using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body’s operational responsibility for the Research Center through management appointment.

Note 2 – Summary of significant accounting policies (continued)

Panthers on Pryor, LLC qualifies as a component unit of GSURF due to GSURF's ability to impose its will on Panthers on Pryor, LLC (financial accountability). Panthers on Pryor, LLC is a limited liability company with GSURF as its sole member. The purpose of Panthers on Pryor, LLC is to acquire, manage, develop, lease, and operate a certain property in Atlanta, Georgia. The statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows of Panthers on Pryor, LLC are shown using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body's operational responsibility for Panthers on Pryor, LLC through management appointment.

Panther Bookstore, LLC (the "Bookstore") qualifies as a component unit of GSURF due to GSURF's ability to impose its will on the Bookstore (financial accountability). The Bookstore is a limited liability company with GSURF as its sole member. The purpose of the Bookstore is to acquire, manage, develop, lease, and operate certain property in Atlanta, Georgia. The statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows of the Bookstore are shown using a blended presentation with GSURF due to the governing body being substantially the same and due to the governing body's operational responsibility for the Bookstore through management appointment.

Science Park is shown separately on the financial statements, while the other component units described above are shown together with GSURF. These other component units are not materially significant to the financial statements as a whole. As of June 30, 2020, the component units, excluding Science Park, had combined total assets of \$1,856,386 and combined total revenue of \$45,580.

GSURF along with the entities presented as blended component units described above are collectively referred to as the "Research Foundation."

Basis of accounting

For financial reporting purposes, the Research Foundation is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the Research Foundation's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Cash and cash equivalents

The Research Foundation considers all highly liquid investments with an original maturity of less than 12 months to be cash equivalents.

As of June 30, 2020, a portion of cash held by the Research Foundation is held by an independent trustee and is restricted for the purpose of funding construction costs, interest, administrative fees, debt service reserves, and costs of issuance associated with the bond offering. Investments made by the trustee are considered cash equivalents and are made in accordance with the trust indenture.

Capitalized interest

Interest incurred during construction is capitalized until projects are completed and ready for their intended use. Because projects are financed by tax-exempt borrowings, including periodic amortization of any related discount or premium and issue costs of borrowings, the interest related to projects is capitalized after reduction for interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use. At the time the qualifying assets are placed in service, amortization of the capitalized interest begins, straight-line, over the estimated useful lives of the related assets. During the year ended June 30, 2020, no interest was capitalized.

Note 2 – Summary of significant accounting policies (continued)

Allowance for doubtful accounts

The Research Foundation reviews the outstanding accounts receivable periodically, as well as the bad debt write-offs experienced in the past, and establishes an allowance for doubtful accounts. Account balances are charged-off against the allowance when the Research Foundation determines it is probable that the receivable will not be recovered. If actual collections of sponsoring agency receivables differ from the Research Foundation's estimates, additional allowances may be required.

Investments

Substantially all investments consist of marketable equity securities that are invested by SunTrust Bank on behalf of the Research Foundation and securities obtained through the sale of patent licenses. Investments are recorded at fair value with all unrealized and realized gains and losses included as increases or decreases in unrestricted or restricted expendable net position. The estimated fair value amounts have been determined based on the Research Foundation's assessment of available market information and appropriate valuation methodologies. Fair value of securities is determined based on publicly traded prices or investment company quotations. Investments in private equity funds often do not have readily determinable fair values and are valued using the most current information provided by the general partner and/or the investment manager.

Fair value measurements

Assets recorded at fair value in the statement of net position are categorized within a fair value hierarchy in accordance with GASB SGAS No. 72, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Research Foundation's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Derivative financial instruments

The Research Foundation is required to present certain information addressing the recognition, measurement, and disclosure regarding derivative instruments entered into in order to hedge a portion of its current and future borrowings for the purpose of managing interest rate risk. At June 30, 2020, the Research Foundation does not have any derivative financial instruments.

Note 2 – Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost at the date of acquisition or market value at the date of donation in the case of gifts. For equipment, the Research Foundation's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings and improvements, 5 to 10 years for land improvements, and 5 to 40 years for leasehold improvements. Residual values are estimated to be 10% of historical cost for infrastructure, buildings, and building improvements.

In fiscal year 2020, Science Park recorded work in progress of \$393,962 related to a contract with Siemens Industry, Inc. to replace the existing laboratory air flow control system with new controllers and actuators on the seventh and eighth floors of the Petit Science Center. The total cost of the contract is \$915,325 and is expected to be completed in fiscal year 2021. These improvements will be depreciated over 20 years once placed in service.

Deferred revenue

Deferred revenue includes amounts received from grant and contract sponsors that have not yet been earned.

Bonds payable

The Research Foundation records the net proceeds of tax-exempt bond financing as a liability upon issuance. Bond proceeds consist of the par value of the bonds issued plus premiums or minus discounts. Losses on debt refundings are included in deferred outflows of resources and amortized over the shorter of the life of the refunded debt or the new debt. Bond premiums and losses on debt refundings are amortized to interest expense using the straight-line method, which approximates the effective interest method. Debt issuance costs are fully expensed at issuance.

Net position

The Research Foundation's net position is composed of the following:

Net investment in capital assets – This represents the Research Foundation's total investment in capital assets, net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets.

Restricted – The restricted component of net position consists of restricted assets reduced by liabilities related to those assets.

Restricted Endowments for Eminent Scholar	\$ 1,550,000
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Restricted - other – Restricted - other are resources that the Research Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted - other consisted of the following at June 30, 2020:

Atlanta Census Research Data Center	\$ 1,075,254
Confucius Institute	41,468
Reserve and Renewal	1,921,168
Restricted for Bond Repayment	4,224,920
Total	<u>\$ 7,262,810</u>

Note 2 – Summary of significant accounting policies (continued)

Unrestricted - committed – Unrestricted - committed represents resources that have been committed by the Research Foundation to fund endowments for the Georgia Research Alliance Eminent Scholar in Molecular and Translational Medicine, Microbial Pathogenesis, and Brain Health/Image Analysis Research.

Unrestricted – Unrestricted net position represents resources derived from contracts, grants and fees. These resources are used for the ongoing operations of the Research Foundation and may be used at the discretion of the governing board to meet current expenses for those purposes and to enhance programs at the University.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Research Foundation generally applies the expense towards restricted resources and then towards unrestricted resources.

Revenue

Revenue from reimbursable research contracts is recognized as expenses are incurred for approved research activities. Amounts expended but not yet reimbursed are recorded as unbilled and billed project costs. Payments by research sponsors in advance of approved research expenses are recorded as deferred revenue for both reimbursable and fixed price contracts.

Classification of revenues

The Research Foundation has classified its revenues as either operating or nonoperating in the statement of revenues, expenses, and changes in net position according to the following criteria:

Operating revenue – Operating revenues include activities that have the characteristics of exchange transactions. Revenue from federal, state, and local grants and contracts is considered operating revenue. Revenue from license and royalty arrangements is also considered operating revenue.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, other revenue sources that are defined as nonoperating revenues by U.S GAAP, such as investment income, and revenues derived from non-research and non-licensing activities.

Income taxes

GSURF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”), whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. In addition, the Research Foundation is not classified as a private foundation based on a determination received from the Internal Revenue Service.

Science Park is a single member LLC, with GSURF as the sole member. As a result, it shall be disregarded as a separate entity for tax purposes and, therefore, no provision for federal income taxes has been made in the accompanying financial statements. The activities of Science Park are reported for tax purposes as part of the GSURF's tax return.

Note 2 – Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

In preparing these financial statements, the Research Foundation has evaluated events and transactions for potential recognition or disclosure through December 17, 2020 the date these financial statements were available to be issued.

As stated in Note 12, the Research Foundation entered into an additional construction contract in September 2020 to complete renovations and equipment installations at the Petit Science Center. Under the construction contract, the Research Foundation has a commitment of \$485,034 to the contractor. The contract is expected to be completed during the year ended June 30, 2022.

In December 2020, Panthers on Pryor, LLC entered into a contract to sell property to the Board of Regents of the University System of Georgia for a purchase price of \$985,000.

Note 3 – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the Research Foundation's deposits may not be recovered. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated Section 50-17-59:

- (a) Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
- (b) Bonds, bills, notes, certificates of indebtedness, or other obligations of the counties or municipalities of the State of Georgia.
- (c) 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.
- (d) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
- (e) 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.
- (f) Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

At June 30, 2020, the Research Foundation's carrying amount of deposits was \$12,965,270, and the bank balance was \$13,091,809. Of the bank balance, \$750,000 was covered by FDIC insurance at June 30, 2020, and \$5,526,784 was collateralized by the State of Georgia pledging pool which thereby guarantees collateralization of any uninsured bank deposit balances. The remaining uncollateralized balance of \$6,815,025 consists of cash equivalents held by investment custodians. These cash equivalents consisted of money market funds which are comprised of investments with an average credit quality of A1 + P1.

Note 4 – Investments

The following table summarizes required fair value disclosures and measurements at June 30, 2020 for assets measured at fair value on a recurring basis:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Assets Measured at Fair Value</u>	<u>Quoted Prices Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Unobservable Inputs (Level 3)</u>
Investments:				
Venture Capital	\$ 135,374	\$ -	\$ 135,374	\$ -
Managed Futures/Hedge Funds	827,876	827,876	-	-
Fixed Income	8,016,803	8,016,803	-	-
Equities	5,159,055	5,159,055	-	-
Total investments	<u>\$ 14,139,108</u>	<u>\$ 14,003,734</u>	<u>\$ 135,374</u>	<u>\$ -</u>

Investments of \$14,001,734 are held by SunTrust in the Board of Regents of the University System of Georgia Pooled Investment Fund Program on behalf of the Research Foundation. Investments of \$135,374 are held by the Georgia Research Alliance Venture Fund, LLP (“GRA Venture Fund”). Investments of \$2,000 are held in Microbial Medical stock.

Credit quality risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Research Foundation’s investment policies are consistent with the investment policies of Georgia State University Foundation, Inc. (“GSUF”) The Research Foundation does not have a formal policy related to credit quality risk of investments. The Research Foundation’s investments as of June 30, 2020 presented by investment type and fixed income securities presented by credit quality ratings are as follows:

<u>Quality ratings</u>	<u>Fair Value</u>	<u>Government Obligations</u>	<u>Corporate Obligations</u>	<u>Mutual Funds</u>
Moody's				
Aaa	\$ 5,878,189	\$ 3,178,128	\$ -	\$2,700,061
Aa	149,369	-	12,350	137,019
A	1,353,805	-	926,268	427,537
BBB	441,855	-	-	441,855
BB	57,448	-	-	57,448
B	72,475	-	-	72,475
Below B	26,035	-	-	26,035
Unrated	37,627	-	-	37,627
	<u>\$ 8,016,803</u>	<u>\$ 3,178,128</u>	<u>\$ 938,618</u>	<u>\$ 3,900,057</u>
Exempt investments				
Equities - Domestic	4,319,435			
Equities - International	839,620			
Non-Traditional	827,876			
Venture Capital	135,374			
Total Investments	<u>\$ 14,139,108</u>			

Note 4 – Investments (continued)

Interest rate risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Research Foundation's policy for managing interest rate risk is divided between short-term and long-term investments. Short-term investments will have a maximum maturity of 18 months to 5 years depending on the type of investment. Long-term investments are managed using a planning timeline of 5 years or more and overall risk measurements rather than specific maturity limits.

As of June 30, 2020, the Research Foundation's debt securities had the following maturities:

Investment Type:	Fair Value	Investment Maturities (in Years)				
		Less Than 1	1-2	3-5	6-10	More Than 10
Corporate obligations	\$ 938,618	\$ 520,073	\$ 206,453	\$ 207,817	\$ -	\$ 4,275
Government obligations	3,178,128	1,114,971	48,324	154,975	393,351	1,466,507
Total	<u>\$ 4,116,746</u>	<u>\$ 1,635,044</u>	<u>\$ 254,777</u>	<u>\$ 362,792</u>	<u>\$ 393,351</u>	<u>\$ 1,470,782</u>

Custodial credit risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Research Foundation will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Research Foundation does not have a formal policy for managing custodial credit risk for investments.

At June 30, 2020, all of the Research Foundation's investments were uninsured and held by the Research Foundation's counterparty in the Research Foundation's name.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The Research Foundation's policy for managing concentration of credit risk is divided amongst investment type as follows for the year ended June 30, 2020:

Fixed Income	57%
Equities – Domestic	30%
Equities – International	6%
Non-Traditional	6%
Venture Capital	1%

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Research Foundation's investments are not exposed to foreign currency risk as securities denominated in currencies other than the U.S. dollar are not permissible by the Georgia State University Foundation, Inc.'s investment policy.

Note 5 – Net investment in direct financing lease

The Research Foundation constructed a science research facility for a total cost of \$86,234,363. The Research Foundation leases the facility to the Board of Regents for and on behalf of the University. The Research Foundation is accounting for this transaction as a direct financing capital lease. The lease entitles the Research Foundation to receive direct and indirect funding for insurance, taxes, bond and interest obligations, repairs and maintenance, and other ancillary expenses. The lease contains an annual renewal option as of specified dates in the agreement.

Future minimum net amounts receivable under direct financing lease at June 30, 2020 are as follows:

For the fiscal years ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Payments to be Received</u>
2021	\$ 2,544,826	\$ 2,838,030	\$ 5,382,856
2022	2,661,218	2,727,101	5,388,319
2023	2,776,140	2,611,230	5,387,370
2024	2,904,820	2,490,185	5,395,005
2025	3,031,798	2,363,679	5,395,477
2026-2030	17,233,127	9,720,298	26,953,425
2031-2035	21,347,956	5,627,702	26,975,658
2036-2038	15,119,215	1,016,031	16,135,246
Total	<u>\$ 67,619,100</u>	<u>\$ 29,394,256</u>	<u>\$ 97,013,356</u>

Note 6 – Capital assets

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

	Beginning Balance July 1, 2019	Additions	Disposals	Ending Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 2,034,619	\$ -	\$ -	\$ 2,034,619
Construction work in progress	-	393,962	-	393,962
Total capital assets, not being depreciated	2,034,619	393,962	-	2,428,581
Capital assets, being depreciated:				
Buildings and improvements	6,507,731	-	-	6,507,731
Facilities and other improvements	6,232,631	-	-	6,232,631
Equipment	45,559	-	-	45,559
Total capital assets, being depreciated	12,785,921	-	-	12,785,921
Less accumulated depreciation:				
Buildings and improvements	1,912,662	115,728	-	2,028,390
Facilities and other improvements	5,019,445	589,359	-	5,608,804
Equipment	7,806	8,084	-	15,890
Total accumulated depreciation	6,939,913	713,171	-	7,653,084
Total capital assets being depreciated, net	5,846,008	(713,171)	-	5,132,837
Capital assets, net	\$ 7,880,627	\$ (319,209)	\$ -	\$ 7,561,418

Note 7 – Bonds payable

Series 2007 Bond Issue

On December 1, 2007, \$90,205,000 of revenue bonds were issued by the Atlanta Development Authority (“ADA”) on behalf of the Research Foundation with the proceeds to be used to (i) finance or refinance, in whole or in part, the cost of the acquisition, construction and equipping of a 204,725 square-foot research facility located in a new Georgia State University Science Park on the campus of the University; (ii) fund a debt service reserve fund for the Series 2007 Bonds; (iii) fund capitalized interest for the Series 2007 Bonds; and (iv) pay costs of issuance of the Series 2007 Bonds.

Note 7 – Bonds payable (continued)

Series 2016 Bond Issue

On June 15, 2016, the outstanding balance on the Series 2007 bonds was refunded by a new bond issuance. Upon this advance refunding, the Series 2007 bonds were considered defeased. Revenue bonds of \$72,720,000 plus premium of \$9,216,542 were issued by the ADA on behalf of the Research Foundation. Principal payments are to be made annually starting July 1, 2019. Interest is paid semi-annually on January 1 and July 1 at a rate specified in the revenue bonds ranging from 3.00% to 5.00%. Moody's Investors Services, Inc. has assigned the Series 2016 Bonds the rating of Aa3. The Series 2016 Bonds are collateralized by the facility mentioned above and certain revenues derived from the facility.

This advance refunding led to a deferred outflow of resources of \$2,753,540 to be amortized through 2040 and has a remaining balance of \$2,252,896. Interest expense for the year ended June 30, 2020 included \$125,161 related to amortization of this deferred outflow.

Bonds payable activity for the year ended June 30, 2020 was as follows:

	Beginning Balance <u>July 1, 2019</u>	Additions	Reductions	Ending Balance <u>June 30, 2020</u>
Series 2016 Bonds	\$ 72,720,000	\$ -	\$ (2,310,000)	\$ 70,410,000
Unamortized bond premium	7,942,524	-	(418,933)	7,523,591
Total	<u>\$ 80,662,524</u>	<u>\$ -</u>	<u>\$ (2,728,933)</u>	<u>\$ 77,933,591</u>

Annual debt service requirements on the Series 2016 Bonds outstanding at June 30, 2020 are as follows:

For the fiscal years ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,425,000	\$ 2,805,325	\$ 5,230,325
2022	2,545,000	2,681,075	5,226,075
2023	2,675,000	2,550,575	5,225,575
2024	2,805,000	2,413,575	5,218,575
2025	2,950,000	2,269,700	5,219,700
2026-2030	16,945,000	9,088,650	26,033,650
2031-2035	20,635,000	5,273,950	25,908,950
2036-2040	19,430,000	1,210,875	20,640,875
Total	<u>\$ 70,410,000</u>	<u>\$ 28,293,725</u>	<u>\$ 98,703,725</u>

Note 8 – Indirect cost revenue

The Research Foundation receives reimbursement from grantors for indirect costs incurred. The Research Foundation remits all of the indirect cost reimbursements to the University. The University then remits 22% of the indirect cost reimbursements to the Research Foundation. The amounts received back from the University totaled \$4,486,743 during the fiscal year ended June 30, 2020 and are recorded within operating revenues in the accompanying financial statements.

Note 9 – Contingencies

The Research Foundation receives numerous state and federal grants which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grants are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Research Foundation has not complied with the rules and regulations governing the grants, refunds of any amounts received may be required and the collectability of any related receivable at year-end may be impaired. In the opinion of the Research Foundation, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the statement of revenues, expenses, and changes in net position for such contingencies.

Note 10 – Significant funding sources

During the fiscal year ended June 30, 2020, the Research Foundation derived approximately 75% of its revenue from contracts with the U.S. government. At June 30, 2020, approximately 47% of the billed research contracts accounts receivable was from the U.S. government. Management does not believe these receivables represent a significant credit risk at June 30, 2020.

Note 11 – Related party transactions

During the year ended June 30, 2020, the Research Foundation paid real estate rent of \$199,794 to the Georgia State University Foundation.

The Research Foundation leases air rights from the Board of Regents at the site where it constructed a building on the Board of Regents' property. The air rights lease is for the purpose of providing no less than 248,806 square feet of the Parker H. Petit Science Teaching Laboratory. The air rights lease is for a period of thirty (30) years after construction of the building was completed for a base rental of \$10 per year. Construction was completed and a certificate of occupancy issued on May 18, 2010, so the 30 year initial term began June 1, 2010. The air rights lease includes an option to renew for an additional 5 years should there be debt outstanding at the end of the original lease term. Under the air rights lease, the ownership of any building or structure constructed passes to the Board of Regents at the end of the air rights lease.

After construction of the building was completed, the Research Foundation signed a rental agreement to lease not less than 248,806 square feet in the Parker H. Petit Science Teaching Laboratory to the Board of Regents for the period which commenced on the first day of the first month after the Research Foundation obtained a certificate of occupancy and ends the following June 30 at a rent not to exceed \$6,200,000 per year with options to renew on a year-to-year basis for up to thirty (30) consecutive one-year periods (the total not to exceed thirty (30) years from the date of the certificate of occupancy) with rent increasing no more than 3% for each option period exercised.

The Research Foundation has an agreement with the Board of Regents wherein each party grants to the other party such easements as are necessary for such other party to have necessary access and to define operational responsibilities.

Note 12 – Commitments

The Research Foundation has an operating lease commitment to Panther Place, LLC for office space located in Atlanta, Georgia. Rent expense was \$199,794 for the year ended June 30, 2020.

The Research Foundation made a commitment during the 2016 fiscal year to provide support in the amount of up to \$250,000 to fund the GRA Venture Fund. During the 2020 fiscal year, the Research Foundation contributed \$29,520, which is held in investments. Total contributions for this commitment as of June 30, 2020 were \$103,231. Based upon the terms of the agreement, the remaining commitment amount of \$146,769 may be called in whole or in part at any time until July 24, 2022, the end of the investment period of the fund.

As stated in Note 2, during the year ended June 30, 2020, the Research Foundation entered into a construction contract to perform renovations and equipment installations at the Petit Science Center. As of June 30, 2020, the Research Foundation has a commitment under the construction contract totaling \$915,325. The project is expected to be completed during the year ended June 30, 2021.

As stated in Note 2, during the year ended June 30, 2021, the Research Foundation entered into a construction contract to perform renovations and equipment installations at the Petit Science Center. Subsequent to the year ended June 30, 2020, the Research Foundation entered into a commitment under the construction contract totaling \$485,034. The project is expected to be completed during the year ended June 30, 2022.

Note 13 – Risks and uncertainties

The Research Foundation's operations may be affected by the recent and ongoing outbreak of COVID-19 which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Foundations' financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption of the Foundations' revenue and a decline in value of assets held by the Foundations, including marketable securities.

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Georgia State University Research Foundation, Inc.
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Georgia State University Research Foundation, Inc., a component unit of the State of Georgia, (the “Research Foundation”), which comprise the statement of net position as of June 30, 2020, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 17, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Research Foundation's internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Research Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Research Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cheng Bekart LLP

Atlanta, Georgia
December 17, 2020

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Georgia State University Research Foundation, Inc.
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

We have audited Georgia State University Research Foundation, Inc.'s, a component unit of the State of Georgia, (the "Research Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Research Foundation's major federal programs for the year ended June 30, 2020. The Research Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Research Foundation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Research Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Research Foundation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Research Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Research Foundation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Research Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cheng Bekart LLP

Atlanta, Georgia
February 17, 2021

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
TRIO Cluster				
Department of Education				
TRIO Student Support Services				
Direct	84.042		\$ -	\$ 652,249
TRIO Talent Search				
Direct	84.044		\$ -	\$ 266,059
TRIO Educational Opportunity Centers				
Direct	84.066		\$ -	\$ 362,319
TRIO Cluster Total			<u>\$ -</u>	<u>\$ 1,280,627</u>
R&D Cluster				
Department of Agriculture				
Small Business Innovation Research				
Pass-Through from UES, Inc.	10.212	1120000003	\$ (128)	\$ (128)
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations				
Direct	10.250		\$ -	\$ 13,019
Agriculture and Food Research Initiative (AFRI)				
Direct	10.310		\$ -	\$ 141,948
Pass-Through from North Carolina State University	10.310	1400000015	\$ 34,949	\$ 34,949
Urban and Community Forestry Program				
Direct	10.675		\$ -	\$ 13,270
Department of Agriculture Total			<u>\$ 34,821</u>	<u>\$ 203,058</u>
Department of Commerce				
Sea Grant Support				
Pass-Through from University of Florida	11.417	1120000025	\$ 9,796	\$ 9,796
Pass-Through from University of Georgia	11.417	518	\$ 21,173	\$ 21,173
Climate and Atmospheric Research				
Pass-Through from University of Georgia	11.431	518	\$ 5,762	\$ 5,762
Department of Commerce Total			<u>\$ 36,731</u>	<u>\$ 36,731</u>
Department of Defense				
Basic and Applied Scientific Research				
Direct	12.300		\$ -	\$ 838,847
Pass-Through from Boston Children's Hospital	12.300	2000000020	\$ -	\$ -
Pass-Through from University of Central Florida	12.300	1120000020	\$ 19,324	\$ 19,324
Scientific Research - Combating Weapons of Mass Destruction				
Direct	12.351		\$ -	\$ 478,327
Military Medical Research and Development				
Direct	12.420		\$ -	\$ 120,426
Pass-Through from Shepherd Center	12.420	1900000067	\$ 21,446	\$ 21,446
Basic Scientific Research				
Pass-Through from Northwestern University	12.431	1400000021	\$ 199,323	\$ 199,323

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Air Force Defense Research Sciences Program				
Direct	12.800		\$ -	\$ 148,860
Pass-Through from University of Hawai'i	12.800	1120000095	\$ 236,308	\$ 236,308
Research and Technology Development				
Pass-Through from Georgia Institute of Technology Research Corporation	12.910	5036	\$ 35,536	\$ 35,536
Department of Defense Total			\$ 511,937	\$ 2,098,397
Department of the Interior				
Assistance to State Water Resources Research Institutes				
Pass-Through from Georgia Institute of Technology	15.805	503	\$ 10,056	\$ 10,056
Historic Preservation Fund Grants-In-Aid				
Direct	15.904		\$ -	\$ 2,959
Department of the Interior Total			\$ 10,056	\$ 13,015
Department of Justice				
National Institute of Justice Research, Evaluation, and Development Project Grants				
Direct	16.560		\$ -	\$ 124,032
Pass-Through from Rutgers, The State University of New Jersey	16.560	1800000018	\$ 46,947	\$ 46,947
Juvenile Mentoring Program				
Direct	16.726		\$ -	\$ 155,565
Department of Justice Total			\$ 46,947	\$ 326,544
Department of State				
Academic Exchange Programs - Undergraduate Programs				
Pass-Through from IREX	19.009	8000000025	\$ 140,010	\$ 140,010
Department of State Total			\$ 140,010	\$ 140,010
National Aeronautics and Space Administration				
Science				
Direct	43.001		\$ -	\$ 215,691
Pass-Through from Predictive Science, Inc.	43.001	1600000017	\$ 134,216	\$ 134,216
Pass-Through from Space Telescope Science Institute	43.001	1900000029	\$ 97,227	\$ 97,227
Office of Stem Engagement (OSTEM)				
Pass-Through from Georgia Institute of Technology	43.008	503	\$ 17,986	\$ 17,986
National Aeronautics and Space Administration Total			\$ 249,429	\$ 465,120
National Endowment for the Humanities				
Promotion of the Humanities Research				
Direct	45.161		\$ -	\$ 1,579
National Endowment for the Humanities Total			\$ -	\$ 1,579

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
National Science Foundation				
Engineering				
Direct	47.041		\$ -	\$ 163,272
Pass-Through from Boston College	47.041	2000000028	\$ 27,113	\$ 27,113
Pass-Through from Lehigh University	47.041	1200000017	\$ 24,016	\$ 24,016
Pass-Through from University of California	47.041	1120000015	\$ 14,540	\$ 14,540
Mathematical and Physical Sciences				
Direct	47.049		\$ -	\$ 2,633,578
Pass-Through from Association of University Centers On Disabilities	47.049	1000000043	\$ 7,899	\$ 7,899
Pass-Through from National Commission on Teaching & America's Future (NCTAF)	47.049	1400000042	\$ 26,594	\$ 26,594
Geosciences				
Direct	47.050		\$ -	\$ 464,392
Pass-Through from University of Central Florida	47.050	1120000020	\$ 533	\$ 533
Computer and Information Science and Engineering				
Direct	47.070		\$ -	\$ 1,837,796
Pass-Through from Florida International University	47.070	5000000022	\$ 23,665	\$ 23,665
Pass-Through from University of Pennsylvania	47.070	1120000053	\$ 32,394	\$ 32,394
Biological Sciences				
Direct	47.074		\$ -	\$ 767,200
Pass-Through from Arizona State University	47.074	1000000024	\$ 13,033	\$ 13,033
Social, Behavioral, and Economic Sciences				
Direct	47.075		\$ -	\$ 809,286
Pass-Through from Arizona State University	47.075	1000000024	\$ 254,332	\$ 254,332
Pass-Through from Dartmouth College	47.075	4000000014	\$ 16,038	\$ 16,038
Pass-Through from Florida Atlantic University	47.075	5000000049	\$ 10,903	\$ 10,903
Pass-Through from The City College of New York	47.075	3000000016	\$ 10,838	\$ 10,838
Pass-Through from University of California, Davis	47.075	1120000016	\$ 168,945	\$ 168,945
Education and Human Resources				
Direct	47.076		\$ -	\$ 1,434,799
Pass-Through from Clark Atlanta University	47.076	3000000019	\$ 8,823	\$ 8,823
Pass-Through from Florida State University	47.076	5000000023	\$ 77,015	\$ 77,015
Pass-Through from Spelman College	47.076	1900000080	\$ 99,998	\$ 99,998
Pass-Through from University of Nebraska	47.076	1120000045	\$ 25,820	\$ 25,820
Pass-Through from University of Georgia	47.076	518	\$ 6,954	\$ 6,954
Integrative Activities				
Pass-Through from Arizona State University	47.083	1000000024	\$ 10,657	\$ 10,657
National Science Foundation Total			\$ 860,110	\$ 8,970,433
Department of Energy				
Office of Science Financial Assistance Program				
Direct	81.049		\$ -	\$ 1,172,120
Department of Energy Total			\$ -	\$ 1,172,120

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Education				
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program				
Pass-Through from Georgia Institute of Technology	84.015	503	\$ 258,579	\$ 258,579
Career and Technical Education -- National Programs				
Pass-Through from Gwinnett County	84.051	6000000031	\$ 9,111	\$ 9,111
Fund for the Improvement of Postsecondary Education				
Direct	84.116		\$ -	\$ 1,097,848
Education Research, Development and Dissemination				
Direct	84.305		\$ -	\$ 693,964
Pass-Through from Arizona State University	84.305	1000000024	\$ 197,248	\$ 197,248
Pass-Through from California State University, Long Beach	84.305	3000000003	\$ 92,842	\$ 92,842
Pass-Through from Florida State University	84.305	5000000023	\$ 59,442	\$ 59,442
Pass-Through from Michigan State University	84.305	1300000014	\$ 14,506	\$ 14,506
Pass-Through from Northern Illinois University	84.305	1400000048	\$ 38,493	\$ 38,493
Pass-Through from University of Cincinnati	84.305	1120000082	\$ 29,326	\$ 29,326
Pass-Through from University of Memphis	84.305	1120000040	\$ 16,892	\$ 16,892
Research in Special Education				
Direct	84.324		\$ -	\$ 346,637
Pass-Through from Indiana University	84.324	8000000029	\$ 41,465	\$ 41,465
Pass-Through from Tennessee State University	84.324	1110000004	\$ 11,268	\$ 11,268
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				
Direct	84.325		\$ -	\$ 141,710
Pass-Through from East Carolina University	84.325	5000000001	\$ 15,280	\$ 15,280
Gaining Early Awareness and Readiness for Undergraduate Programs				
Pass-Through from University of Montevallo	84.334	1120000099	\$ 205,326	\$ 205,326
Teacher Quality Partnership Grants				
Direct	84.336		\$ -	\$ 254,579
English Language Acquisition State Grants				
Direct	84.365		\$ -	\$ 624,577
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)				
Pass-Through from Ohio State University	84.411	1500000004	\$ 22,222	\$ 22,222
Supporting Effective Educator Development Program				
Direct	84.423		\$ -	\$ 2,108,174
Department of Education Total			\$ 1,012,000	\$ 6,279,489

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Health and Human Services				
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects				
Direct	93.048		\$ -	\$ 221,345
Birth Defects and Developmental Disabilities - Prevention and Surveillance				
Pass-Through from University of South Carolina	93.073	1120000056	\$ 166,983	\$ 166,983
Family Smoking Prevention and Tobacco Control Act Regulatory Research				
Direct	93.077		\$ -	\$ 2,552,278
Blood Disorder Program: Prevention, Surveillance, and Research				
Direct	93.080		\$ -	\$ 218,104
Prevention of Disease, Disability, and Death by Infectious Diseases				
Pass-Through from Emory University	93.084	5000000006	\$ 35,060	\$ 35,060
Pass-Through from State University of New York	93.084	1900000081	\$ 50,618	\$ 50,618
Healthy Marriage Promotion and Responsible Fatherhood Grants				
Pass-Through from Center for Policy Research	93.086	3000000069	\$ 4,517	\$ 4,517
Enhance Safety of Children Affected by Substance Abuse				
Direct	93.087		\$ -	\$ 85,084
Maternal and Child Health Federal Consolidated Programs				
Pass-Through from University of North Carolina	93.110	1120000049	\$ 159,169	\$ 159,169
Environmental Health				
Direct	93.113		\$ -	\$ 191,485
Pass-Through from Foundation for Applied Molecular Evolution (FfAME)	93.113	5000000045	\$ 53,654	\$ 53,654
Pass-Through from Washington State University	93.113	1140000003	\$ 94,281	\$ 94,281
Centers for Research and Demonstration for Health Promotion and Disease Prevention				
Direct	93.135		\$ -	\$ 322,402
Human Genome Research				
Direct	93.172		\$ -	\$ 115,691
Pass-Through from Vanderbilt University	93.172	1130000003	\$ 17,711	\$ 17,711
Research Related to Deafness and Communication Disorders				
Direct	93.173		\$ -	\$ 811,108
Disabilities Prevention				
Direct	93.184		\$ -	\$ 297,015
Graduate Psychology Education				
Direct	93.191		\$ -	\$ 248,542
Research and Training in Complementary and Integrative Health				
Direct	93.213		\$ -	\$ 513,179
Pass-Through from Emory University	93.213	5000000006	\$ 29,968	\$ 29,968
Loan Repayment Program for General Research				
Pass-Through from Kaiser Permanente	93.232	1100000012	\$ 16,270	\$ 16,270

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Mental Health Research Grants				
Direct	93.242		\$ -	\$ 3,646,560
Pass-Through from Hartford Hospital	93.242	7000000019	\$ 68,353	\$ 68,353
Pass-Through from Johns Hopkins University	93.242	9000000005	\$ 49,393	\$ 49,393
Pass-Through from Kaiser Permanente	93.242	1100000012	\$ 8,859	\$ 8,859
Pass-Through from Mind Research Network	93.242	1300000028	\$ (19,818)	\$ (19,818)
Pass-Through from Tulane University	93.242	1110000030	\$ 113,070	\$ 113,070
Pass-Through from University of Nebraska	93.242	1120000045	\$ 89,170	\$ 89,170
Pass-Through from University of New Mexico	93.242	1120000102	\$ 49,545	\$ 49,545
Pass-Through from University of Southern California	93.242	1120000058	\$ 26,295	\$ 26,295
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
Pass-Through from Governor, Office of the	93.243	414	\$ 75,284	\$ 75,284
Pass-Through from Education, Department of	93.243	245	\$ 83,100	\$ 83,100
Alcohol Research Programs				
Direct	93.273		\$ -	\$ 778,389
Pass-Through from Arizona State University	93.273	1000000024	\$ 1,215	\$ 1,215
Pass-Through from Behavioral Science Technologies, LLC	93.273	2000000023	\$ 112,551	\$ 112,551
Pass-Through from InLighta Biosciences, LLC	93.273	8000000026	\$ 411,173	\$ 411,173
Pass-Through from University of Washington	93.273	1120000065	\$ 24,410	\$ 24,410
Drug Abuse and Addiction Research Programs				
Direct	93.279		\$ -	\$ 1,619,769
Pass-Through from Duke University	93.279	4000000009	\$ 40,037	\$ 40,037
Pass-Through from National Bureau of Economic Research	93.279	1400000041	\$ 34,845	\$ 34,845
Pass-Through from Palo Alto Veterans Institute for Research	93.279	1600000028	\$ 96,125	\$ 96,125
Discovery and Applied Research for Technological Innovations to Improve Human Health				
Direct	93.286		\$ -	\$ 984,350
Pass-Through from Case Western Reserve University	93.286	3000000007	\$ 85,855	\$ 85,855
Pass-Through from InLighta Biosciences, LLC	93.286	8000000026	\$ (2,505)	\$ (2,505)
Pass-Through from Georgia Institute of Technology	93.286	503	\$ 24,160	\$ 24,160
Minority Health and Health Disparities Research				
Direct	93.307		\$ -	\$ (574)
Trans-NIH Research Support				
Direct	93.310		\$ -	\$ 84,699
Pass-Through from University of California, Davis	93.310	1120000016	\$ 326,697	\$ 326,697
National Center for Advancing Translational Sciences				
Pass-Through from Emory University	93.350	5000000006	\$ 22,882	\$ 22,882
Research Infrastructure Programs				
Direct	93.351		\$ -	\$ 471,504
Nursing Research				
Direct	93.361		\$ -	\$ 173,164
Pass-Through from Emory University	93.361	5000000006	\$ 6,009	\$ 6,009
Sickle Cell Treatment Demonstration Program				
Pass-Through from Augusta University	93.365	512	\$ 33,019	\$ 33,019

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Cancer Cause and Prevention Research				
Direct	93.393		\$ -	\$ 1,041,886
Pass-Through from Tulane University	93.393	1110000030	\$ 35,886	\$ 35,886
Pass-Through from University of Toledo	93.393	1120000064	\$ 7,897	\$ 7,897
Cancer Detection and Diagnosis Research				
Direct	93.394		\$ -	\$ 187,358
Pass-Through from InLighta Biosciences, LLC	93.394	8000000026	\$ 14,882	\$ 14,882
Cancer Treatment Research				
Direct	93.395		\$ -	\$ 498,655
Pass-Through from ProDa BioTech, LLC	93.395	1600000024	\$ 225,626	\$ 225,626
Cancer Biology Research				
Direct	93.396		\$ -	\$ 793,856
Pass-Through from Emory University	93.396	5000000006	\$ 17,517	\$ 17,517
Pass-Through from Northwestern University	93.396	1400000021	\$ 12,434	\$ 12,434
Pass-Through from University of Connecticut	93.396	1120000022	\$ 97,386	\$ 97,386
Cancer Research Manpower				
Direct	93.398		\$ -	\$ 64,274
Pass-Through from University of Arizona	93.398	1120000013	\$ 5,419	\$ 5,419
NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations				
Pass-Through from CDC Foundation	93.424	3000000077	\$ 70,903	\$ 70,903
ACL National Institute on Disability, Independent Living, and Rehabilitation Research				
Pass-Through from Georgia Institute of Technology	93.433	503	\$ 52,485	\$ 52,485
Social Services Research and Demonstration				
Direct	93.647		\$ -	\$ 275,223
Extramural Research Restoration Program: Hurricanes Harvey, Maria, and Irma – non-construction				
Direct	93.663		\$ -	\$ 129,361
Cardiovascular Diseases Research				
Direct	93.837		\$ -	\$ 5,912,001
Pass-Through from New York University	93.837	1400000014	\$ 6,612	\$ 6,612
Pass-Through from University of Florida	93.837	1120000025	\$ 27,546	\$ 27,546
Pass-Through from University of Iowa	93.837	1120000030	\$ 124,394	\$ 124,394
Pass-Through from Weill Cornell Medicine	93.837	1140000018	\$ 43,737	\$ 43,737
Blood Diseases and Resources Research				
Pass-Through from Emory University	93.839	5000000006	\$ 1,759	\$ 1,759
Pass-Through from Temple University	93.839	1110000022	\$ 406,214	\$ 406,214
Arthritis, Musculoskeletal and Skin Diseases Research				
Direct	93.846		\$ -	\$ 276,848
Diabetes, Digestive, and Kidney Diseases Extramural Research				
Direct	93.847		\$ -	\$ 3,615,122
Pass-Through from Emory University	93.847	5000000006	\$ (777)	\$ (777)
Pass-Through from University of Florida	93.847	1120000025	\$ 68,097	\$ 68,097
Pass-Through from University of Maryland	93.847	1120000037	\$ 12,170	\$ 12,170

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Extramural Research Programs in the Neurosciences and Neurological Disorders				
Direct	93.853		\$ -	\$ 979,046
Pass-Through from Advanced Biomedical Informatics Group, LLC	93.853	1000000073	\$ 238,468	\$ 238,468
Pass-Through from Duke University	93.853	4000000009	\$ 11,429	\$ 11,429
Pass-Through from University of Virginia	93.853	1120000075	\$ 32,453	\$ 32,453
Allergy and Infectious Diseases Research				
Direct	93.855		\$ -	\$ 8,646,106
Pass-Through from Emory University	93.855	5000000006	\$ 10,410	\$ 10,410
Pass-Through from George Washington University	93.855	6000000005	\$ 389,296	\$ 389,296
Pass-Through from Microbiotix, Inc.	93.855	1300000029	\$ 95,210	\$ 95,210
Pass-Through from Thomas Jefferson University	93.855	1110000010	\$ 110,801	\$ 110,801
Pass-Through from University of Houston-Clear Lake	93.855	1120000026	\$ 48,848	\$ 48,848
Pass-Through from University of North Carolina	93.855	1120000049	\$ (30)	\$ (30)
Pass-Through from University of Pennsylvania	93.855	1120000053	\$ 276,410	\$ 276,410
Pass-Through from University of Rhode Island	93.855	1120000100	\$ 36,839	\$ 36,839
Pass-Through from Virginia Commonwealth University	93.855	1130000007	\$ 13,269	\$ 13,269
Pass-Through from Washington State University	93.855	1140000003	\$ 181,679	\$ 181,679
Biomedical Research and Research Training				
Direct	93.859		\$ -	\$ 2,799,286
Pass-Through from University of San Francisco	93.859	1120000103	\$ 21,904	\$ 21,904
Pass-Through from University of Georgia	93.859	518	\$ 13,953	\$ 13,953
Child Health and Human Development Extramural Research				
Direct	93.865		\$ -	\$ 2,967,454
Pass-Through from Clemson University	93.865	3000000022	\$ 10,206	\$ 10,206
Pass-Through from Drexel University	93.865	4000000007	\$ 8,848	\$ 8,848
Pass-Through from George Washington University	93.865	6000000005	\$ 105,825	\$ 105,825
Pass-Through from Medical University of South Carolina	93.865	1300000032	\$ 15,212	\$ 15,212
Pass-Through from University of Connecticut	93.865	1120000022	\$ 44,149	\$ 44,149
Pass-Through from University of Michigan	93.865	1120000041	\$ 2,409	\$ 2,409
Pass-Through from Yale University	93.865	1160000001	\$ 8,969	\$ 8,969
Pass-Through from University of Georgia	93.865	518	\$ 33,342	\$ 33,342
Aging Research				
Direct	93.866		\$ -	\$ 1,742,776
Pass-Through from Emory University	93.866	5000000006	\$ (104,365)	\$ (104,365)
Pass-Through from Kaiser Foundation Research Institute	93.866	1100000011	\$ 28,361	\$ 28,361
Pass-Through from San Francisco State University	93.866	1900000075	\$ 59,405	\$ 59,405
Pass-Through from Tennessee State University	93.866	1110000004	\$ 1,348	\$ 1,348
Pass-Through from University of Minnesota	93.866	1120000042	\$ 67,981	\$ 67,981
Vision Research				
Direct	93.867		\$ -	\$ 354,431
Pass-Through from Emory University	93.867	5000000006	\$ 104,260	\$ 104,260
Pass-Through from Augusta University	93.867	512	\$ 12,932	\$ 12,932

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Autism Collaboration, Accountability, Research, Education, and Support				
Direct	93.877		\$ -	\$ 77,425
Medical Library Assistance				
Pass-Through from University of California, San Francisco	93.879	1120000084	\$ 27,055	\$ 27,055
PPHF Geriatric Education Centers				
Pass-Through from Emory University	93.969	5000000006	\$ 124,317	\$ 124,317
International Research and Research Training				
Direct	93.989		\$ -	\$ 299,923
Pass-Through from Emory University	93.989	5000000006	\$ 27,570	\$ 27,570
Department of Health and Human Services Total			<u>\$ 5,676,905</u>	<u>\$ 49,672,030</u>
Department of Homeland Security				
Centers for Homeland Security				
Pass-Through from George Mason University	97.061	6000000004	\$ 43,835	\$ 43,835
Department of Homeland Security Total			<u>\$ 43,835</u>	<u>\$ 43,835</u>
R&D Cluster Total			<u>\$ 8,622,781</u>	<u>\$ 69,422,361</u>
Other Federal Programs				
Department of Defense				
Mathematical Sciences Grants Program				
Direct	12.901		\$ -	\$ 6,693
Department of Defense Total			<u>\$ -</u>	<u>\$ 6,693</u>
Department of Justice				
National Institute of Justice Research, Evaluation, and Development				
Project Grants				
Pass-Through from WestEd	16.560	1140000014	\$ 85,306	\$ 85,306
Department of Justice Total			<u>\$ 85,306</u>	<u>\$ 85,306</u>
Department of State				
Academic Exchange Programs - English Language Programs				
Pass-Through from FHI 360	19.421	5000000030	\$ 73,631	\$ 73,631
Department of State Total			<u>\$ 73,631</u>	<u>\$ 73,631</u>
National Endowment for the Humanities				
Promotion of the Humanities Professional Development				
Direct	45.163		\$ -	\$ 118,570
National Endowment for the Humanities Total			<u>\$ -</u>	<u>\$ 118,570</u>

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
National Science Foundation				
Education and Human Resources				
Direct	47.076		\$ -	\$ 96,905
Pass-Through from Clark Atlanta University	47.076	3000000019	\$ 12,124	\$ 12,124
Pass-Through from University of Georgia	47.076	518	\$ 44,968	\$ 44,968
National Science Foundation Total			\$ 57,092	\$ 153,997
Small Business Administration				
Small Business Development Centers				
Pass-Through from University of Georgia	59.037	518	\$ 292,971	\$ 292,971
Small Business Administration Total			\$ 292,971	\$ 292,971
Department of Education				
Rehabilitation Long-Term Training				
Direct	84.129		\$ -	\$ 347,978
Graduate Assistance in Areas of National Need				
Direct	84.200		\$ -	\$ 89,495
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				
Direct	84.325		\$ -	\$ 41,063
English Language Acquisition State Grants				
Direct	84.365		\$ -	\$ 447,112
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				
Pass-Through from University of Georgia	84.367	518	\$ (3,792)	\$ (3,792)
Transition Programs for Students with Intellectual Disabilities into Higher Education				
Direct	84.407		\$ -	\$ 599,933
Department of Education Total			\$ (3,792)	\$ 1,521,789
Department of Health and Human Services				
Maternal and Child Health Federal Consolidated Programs				
Direct	93.110		\$ -	\$ 636,677
Pass-Through from Association of Maternal & Child Health Programs	93.110	1000000060	\$ 14,033	\$ 14,033
Pass-Through from Emory University	93.110	5000000006	\$ 1,378	\$ 1,378

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Federal Agency/Direct or Pass-Through Entity/Program Name	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Graduate Psychology Education				
Direct	93.191		\$ -	\$ 96,884
Telehealth Programs				
Pass-Through from JBS International	93.211	9000000013	\$ 63,159	\$ 63,159
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
Pass-Through from University of Georgia	93.243	518	\$ 20,515	\$ 20,515
Research Infrastructure Programs				
Direct	93.351		\$ -	\$ 168,695
University Centers for Excellence in Developmental Disabilities Education, Research, and Service				
Direct	93.632		\$ -	\$ 670,469
Child Welfare Research Training or Demonstration				
Pass-Through from State University of New York	93.648	1900000081	\$ 106,264	\$ 106,264
National Collaboration to Support Health, Wellness and Academic Success of School-Age Children				
Pass-Through from National Network of Public Health Institutes	93.858	1400000031	\$ 11,818	\$ 11,818
Biomedical Research and Research Training				
Direct	93.859		\$ -	\$ 179,710
Pass-Through from National Network of Public Health Institutes	93.859	1400000031	\$ 4,000	\$ 4,000
Department of Health and Human Services Total			<u>\$ 221,167</u>	<u>\$ 1,973,602</u>
Corporation for National and Community Service				
AmeriCorps				
Pass-Through from Jumpstart for Young Children, Inc.	94.006	9000000008	\$ 35,155	\$ 35,155
Pass-Through from Community Health, Department of	94.006	419	\$ 0	\$ 0
Corporation for National and Community Service Total			<u>\$ 35,155</u>	<u>\$ 35,155</u>
Other Federal Programs Total			<u>\$ 761,530</u>	<u>\$ 4,261,714</u>
Federal Expenditures Total			<u>\$ 9,384,311</u>	<u>\$ 74,964,702</u>

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2020

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Georgia State University Research Foundation, Inc. (the “Research Foundation”) and is presented on the accrual basis of accounting. Expenditures under award programs are presented using the economic resources measurement focus and the accrual basis of accounting in the Research Foundation’s financial statements.

The purpose of the Schedule is to present a summary of the activities of the Research Foundation for the year ended June 30, 2020, which have been financed by the United States government.

Because the Schedule presents only a selected portion of the activities of the Research Foundation, it is not intended to and does not present either the financial position, changes in net position, or cash flows of the Research Foundation.

Research grants awarded to the Research Foundation are then provided to Georgia State University (the “University”), which is responsible for the fiscal administration of the grants.

Indirect Cost Rate – The Research Foundation has elected not to use the 10% de minimum indirect cost rate as allowed under the Uniform Guidance.

Note 2—Subrecipients

Of the federal expenditures presented in the Schedule, the University provided federal awards to subrecipients as presented in the Schedule.

Note 3—Noncash awards

The Research Foundation did not receive any noncash federal awards during the year ended June 30, 2020.

Note 4—Catalog of Federal Domestic Assistance (“CFDA”) Numbers

CFDA numbers that are available for each federal award program are indicated on the Schedule.

Note 5—Contingencies

These award programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Research Foundation expects such amounts, if any, to be immaterial.

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC.
(A Component Unit of the State of Georgia)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2020

I. Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	_____ yes <u> X </u> no
• Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	_____ yes <u> X </u> no
• Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of Uniform Guidance?	_____ yes <u> X </u> no

Identification of Major Programs

The programs tested as major programs for the year ended June 30, 2020 are as follows:

<u>CFDA #</u>	<u>Name of Federal Program</u>
Various	Research and Development Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$2,248,941
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

II. Financial Statement Findings

None reported.

III. Federal Awards Findings and Questioned Costs

None reported.