



UNIVERSITY OF GEORGIA ATHENS, GEORGIA

**REPORT ON AUDIT
FOR FISCAL YEAR ENDED
JUNE 30, 2019**

**A Member Institution of the
University System of Georgia**



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AUDIT SUMMARY

We have audited the basic financial statements of the University of Georgia (University) as of and for the year ended June 30, 2019, and issued our report thereon, dated December 10, 2019. 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. Our Independent Auditor's Report, included in the University's Annual Financial Report, is available on the Georgia Department of Audits and Accounts' website at <http://www.audits.ga.gov/> and at the University's website at <http://www.uga.edu/>.

Our audit of the University found:

- the financial statements are presented fairly, in all material respects;
- no internal control findings requiring management's attention;
- no instances of noncompliance or other matters required to be reported under *Government Auditing Standards*.

Summary of Opinions

Opinion Unit

Business-Type Activities

Aggregate Discretely Presented Component Units

Type of Opinion

Unmodified

Unmodified (Audited by Other Auditors)



DEPARTMENT OF AUDITS AND ACCOUNTS

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REPORT 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

Independent Auditor's Report

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Regents of the University System of Georgia
and
Mr. Jere W. Morehead, President
University of Georgia

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of the University of Georgia (University) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated December 10, 2019. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. 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. However, the financial statements of University of Georgia Foundation and University of Georgia Athletic Association, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with University of Georgia Foundation and University of Georgia Athletic Association, Inc.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University'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 University'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 determination of financial statement amounts. 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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin
State Auditor

December 10, 2019

UNIVERSITY OF GEORGIA

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Mr. Ryan Nesbit, Vice President for Finance and Administration
Mrs. Holley W. Schramski, Associate Vice President Finance Division
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