



Abraham Baldwin Agricultural College

Review Report

For Fiscal Year Ended June 30, 2022

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2022

Financial Section	
Independent Accountant's Report	2
Management's Discussion and Analysis	4
<u>Financial Statements (GAAP Basis)</u>	
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position	14
Statement of Cash Flows	16
Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19
Notes to the Financial Statements	21
Required Supplementary Information	
Schedule of Contributions for Defined Benefit Pension Plan	49
Schedule of Proportionate Share of Net Pension Liability	50
Notes to the Required Supplemental Information for Pension Plans	51
Schedule of Contributions for OPEB Plan	52
Schedule of Proportionate Share of the Net OPEB Liability	53
Notes to the Required Supplemental Information for OPEB Plan	54
Supplementary Information	
Balance Sheet (Non-GAAP Basis)	56
Statement of Funds Available and Expenditures Compared to Budget (Non-GAAP Basis)	57
Statement of Changes to Fund Balance by Program and Funding Source (Non-GAAP Basis)	59

**DOAA**Georgia Department
of Audits & AccountsGreg S. Griffin
State Auditor**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Regents of the
University System of Georgia
and
Dr. Tracy L. Brundage, President
Abraham Baldwin Agricultural College

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of Abraham Baldwin Agricultural College, as of and for the year ended June 30, 2022, and the related notes (financial statements), as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Abraham Baldwin Agricultural College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Matters

The accompanying supplementary information listed in the table of contents is presented for additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited, reviewed, or compiled the supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it. We did, however, perform certain procedures on the supplementary information.

This review report contains information pertinent to Abraham Baldwin Agricultural College's compliance with the requirements of the Southern Association of Colleges and Schools Commission on Colleges (COC) Standard 13.2 (Financial resources) as of and for the year ended June 30, 2022. Additionally, we performed procedures on Abraham Baldwin Agricultural College's Federal Student Aid programs for the year ended June 30, 2022, to meet the requirements of COC Standard 13.6. Included in a separate Report on Review and Federal Compliance Procedures dated September 9, 2022 is a section on findings and other items for any matters that came to our attention during our engagement, including results of our testing of the Federal Student Aid programs.

Additionally, we have performed certain procedures at Abraham Baldwin Agricultural College to support our audit of the basic financial statements of the State of Georgia presented in the State of Georgia Annual Comprehensive Financial Report and the issuance of a State of Georgia Single Audit Report pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2022.

This report is intended solely for the information and use of the management of Abraham Baldwin Agricultural College, members of the Board of Regents of the University System of Georgia and the Southern Association of Colleges and Schools – Commission on Colleges and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,



Greg S. Griffin
State Auditor

September 9, 2022

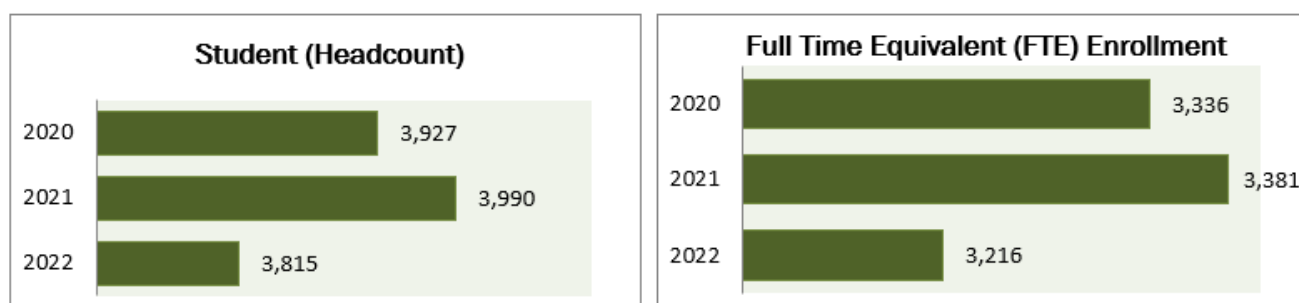
ABRAHAM BALDWIN AGRICULTURAL COLLEGE

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of Abraham Baldwin Agricultural College's (the "College") annual financial report presents a discussion and analysis of the financial performance of the College during the fiscal years ended June 30, 2022 and 2021. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with the financial statements and notes.

Introduction

Abraham Baldwin Agricultural College (ABAC) is one of the 26 institutions of higher education of the University System of Georgia. The College offering instruction on campuses in Tifton and Bainbridge, Georgia, was founded in 1908 as the Second District A&M School. ABAC provides unique, hands-on learning opportunities for students as the South's premier destination for Agricultural studies. Our offerings have grown a great deal since our founding, now including a wide range of more traditional 4-year degrees and paths to success including a highly sought after nursing program and innovative arts and science tracks. The College's faculty, staff, and administration are committed to providing an excellent education by engaging, teaching, coaching, mentoring, and providing relevant experiences that prepare the graduate for life. The institution has remained stable with enrollment growth in 2021 but saw a decline in enrollment in 2022 that was attributed to changes in testing requirements in institutions across the state.



The College is accredited by and is a member of the Southern Association of Colleges and Schools. The College is governed by The Board of Regents of the University System of Georgia. The Board determines policy and approves operating budgets, educational programs, facilities and capital financing, and sets the tuition and fee schedules for the College.

Overview of the Financial Statements

The College's financial statements present the financial condition of the College. The emphasis on discussions about these statements will be on current year data. There are three business-type financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. There are two fiduciary financial statements presented: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. In fiscal year 2022, GASB issued Statement No. 87, Leases, became effective. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and deferred inflow of resources. The College did not have to recognize this restatement since the leases from fiscal year 2021 were completed during fiscal year 2022. Comparative data is provided for fiscal year 2022 and 2021.

Condensed Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2022, and includes all assets and liabilities, both current and non-current, deferred outflows of resources and deferred inflow of resources. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting which requires revenue and asset recognition when the service is provided, and expense and liability recognition when good or services are received despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College and how much the College owes vendors. The difference between assets and deferred outflows of resources and liabilities and deferred inflow of resources (net position) is one indicator of

the College's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the College's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories.

The first category of Net Position, net investment of capital assets, provides the College's equity in property, plant and equipment owned by the institution.

The next category is restricted, which is divided into two categories, nonexpendable and expendable. The corpus of non-expendable, restricted resources is available only for investment purposes. Expendable, restricted resources are available for expenditure by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.

The final category of Net Position is unrestricted. Unrestricted resources are available to the College for any lawful purpose.

The following table summarizes the Statement of Net Position:

Statement of Net Position, Condensed

	2022	2021	Percent Change
<i>Assets:</i>			
Current Assets	23,716,007	20,859,033	13.7%
<i>Non-Current Assets:</i>			
Capital Assets, Net	73,136,574	74,493,662	-1.8%
Intangible Right-to-Use Assets, Net	50,291		0.0%
Other Non-Current Assets	2,109,462	2,405,433	-12.3%
Total Assets	99,012,334	97,758,128	1.3%
Deferred Outflows of Resources	14,610,729	15,685,552	-6.9%
<i>Liabilities:</i>			
Current Liabilities	3,887,779	3,360,768	15.7%
<i>Non-Current Liabilities:</i>			
Non-Current Liabilities	54,117,608	77,804,074	-30.4%
Total Liabilities	58,005,387	81,164,842	-28.5%
Deferred Inflows of Resources	27,880,210	9,600,390	190.4%
<i>Net Position:</i>			
Net Investment in Capital Assets	72,962,224	74,493,662	-2.1%
Restricted - Nonexpendable	1,911,461	2,207,431	-13.4%
Restricted - Expendable	960,917	919,786	4.5%
Unrestricted	(48,097,136)	(54,942,431)	-12.5%
Total Net Position	27,737,466	22,678,448	22.3%

Total assets increased by \$1,254,206, which was primarily due to an increase of current assets of \$2,856,974. In current assets, cash and cash equivalents increased by \$1,634,278 primarily due to an increase in non-operating revenues, where a reduction in state appropriations in fiscal year 2021 was more than offset by funding for Coronavirus Aid, Relief, and Economic Security Act including the Higher Education Emergency Relief Fund. The prepaid items increased by \$1,505,791 due to a prefunding of furniture, fixtures, and equipment for the Georgia State Financing and Investment Commission by the Board of Regents.

Capital assets decreased by \$1,357,088. See Capital Assets later within this section and Note 6 within the Notes to the Financial Statements for more information on capital assets.

Total deferred outflows of resources decreased by \$1,074,823. The decrease in deferred outflows of resources was due to changes in actuarial assumptions for the Teachers' Retirement System of Georgia (TRS), Employees Retirement System (ERS) and Post-Employment Benefits Other than Pension Benefits (OPEB).

Total liabilities decreased for the year by \$23,159,455 which was due to an increase of \$527,011 in current liabilities and a decrease of \$23,686,466 in non-current liabilities.

The decrease in non-current liabilities was due to a decrease of \$19,272,306 in net pension liability, which is primarily attributable to the College's proportionate share of net pension liability related to TRS and ERS changes in assumptions used to estimate the liability, including an updated mortality projection scale and updated actuarial experience study.

The net OPEB liability decreased \$4,440,160. The College's proportionate share of the net OPEB liability decreased due to changes in assumptions used to estimate the liability, including the removal of the excise tax, updated mortality projection scale, revised demographic assumptions based on the May 2021 experience study, and lowering the discount rate.

Total deferred inflows of resources increased by \$18,279,820 which was due to an increase in the College's proportionate share of deferred inflow on OPEB of \$2,990,159 and a increase in deferred inflow on defined benefit pension plans of \$15,289,661. Deferred inflows for OPEB and pensions relate to changes in assumptions, experience and investment earnings, that affect the corresponding liability and are recognized as revenue in future periods.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflow of resources yielded a increase in net position of \$5,059,018.

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 present in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College. Generally, operating revenues are received for providing good and services to the various customers and constituencies of the College. 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 College. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues.

The Statement of Revenues, Expenses and Changes in Net Position reflects a year of financial growth. The statements for the fiscal year ended June 30, 2022 and the prior year are summarized as follows:

College Operations and Other Changes

	2022	2021	Percent Change
<i>Operating Revenues:</i>			
Tuition and Fees	12,011,567	11,737,675	2.3%
Grants and Contracts	156,386	175,219	-10.7%
Sales and Services	335,414	196,577	70.6%
Rents and Royalties	190,130	156,348	21.6%
Auxiliary	9,747,135	8,752,853	11.4%
Other	192,384	220,223	-12.6%
Total Operating Revenues	22,633,016	21,238,895	6.6%
Operating Expenses	63,256,218	59,738,592	5.9%
Operating Loss	(40,623,202)	(38,499,697)	-5.5%

Nonoperating Revenues (Expenses):

State Appropriations	24,578,266	22,140,873	11.0%
Grants and Contracts	20,782,087	12,460,276	66.8%
Gifts	422,758	1,243,567	-66.0%
Investment Income	(232,521)	294,297	-179.0%
Interest Expense (Capital Assets)	(1,366)	(793)	72.3%
Other	(3,542)	(74,234)	-95.2%
Total Nonoperating Revenues (Expenses)	45,545,682	36,063,986	26.3%
Income Before Other Changes	4,922,480	(2,435,711)	302.1%

Capital Gifts and Grants:

State	136,538	21,441,067	-99.4%
Increase in Net Position	5,059,018	19,005,356	-73.4%
Net Position at Beginning of Year	22,678,448	3,673,092	517.4%
Net Position at End of Year	27,737,466	22,678,448	22.3%

Operating Revenues

The operating revenues represent resources generated by the College in fulfilling its instruction mission. Operating revenues increased by \$1,394,121 in fiscal year 2022. Net student tuition and fees for fiscal year 2022 increased 2.3% over the prior year total, not because of an enrollment increase but because of an increase to the contra-revenue of Scholarship Allowances. Auxiliary revenues include operations such as student housing, student dining, bookstore, student health services, parking and transportation, and student athletic fees. Auxiliary enterprises should operate on a self-supporting basis, where the combination of fees and other revenues is sufficient to meet costs. The total auxiliary revenue increased in fiscal year 2022 by \$994,282. The College recognized a 70% increase in sales and services revenue in fiscal year 2022 largely due to an increase of \$73,392 in performing arts performances that were not held in fiscal year 2021 out of precaution due to COVID.

Operating Expenses

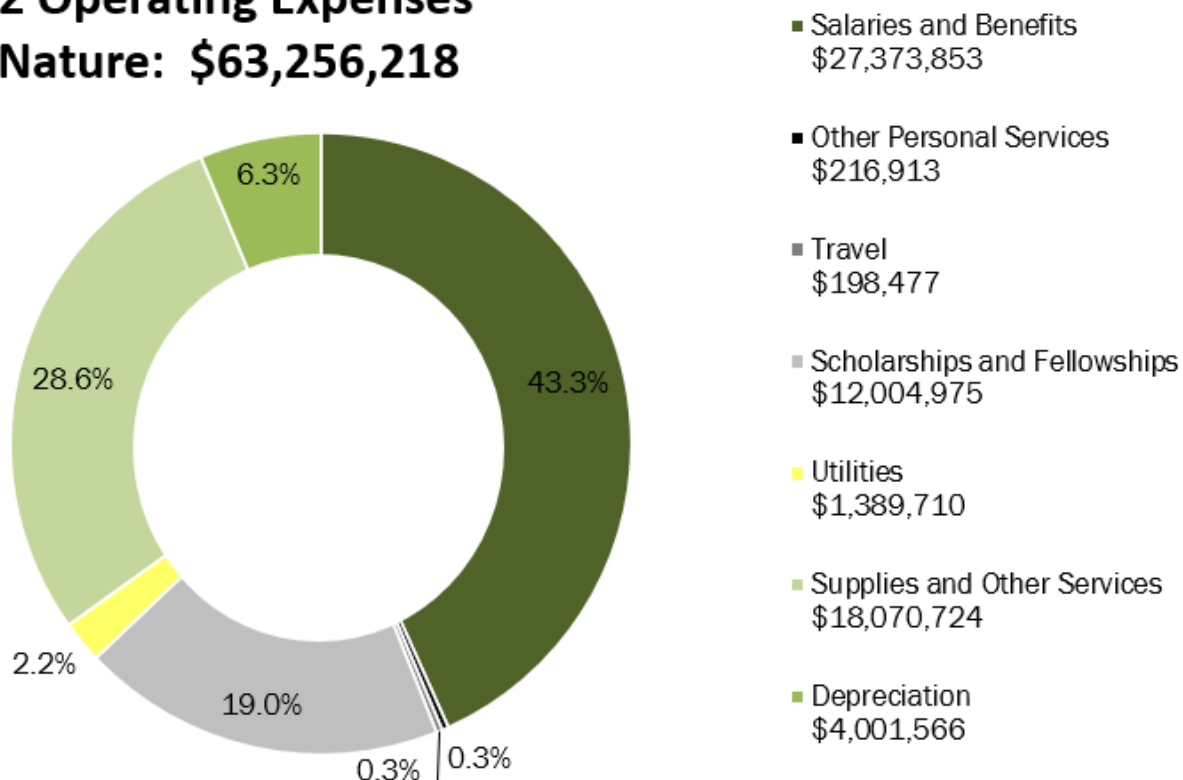
The College's operating expenses were \$63.3 million for the fiscal year ended June 30, 2022, an increase of 5.9% over the prior year. The operating expenses are reported by natural classification in the financial statements and by functional classification in Note 17. The largest increase by function was the Scholarships and Fellowships, which was due to \$5.5 million in Higher Education Emergency Relief Funds that were issued to students in fiscal year 2022. The following table illustrates the College's operating expenses by functional classification.

Operating Expenses by Function

	2022	2021	Percent Change
Instruction	18,537,008	17,614,251	5.2%
Public Service	897,162	838,723	7.0%
Academic Support	7,032,819	6,829,551	3.0%
Student Services	3,303,825	3,213,768	2.8%
Institutional Support	9,388,532	9,653,055	-2.7%
Plant Operations and Maintenance	5,216,278	6,787,076	-23.1%
Scholarships and Fellowships	11,593,252	7,696,122	50.6%
Auxiliary Enterprises	7,287,342	7,106,046	2.6%
Total Operating Expenses	63,256,218	59,738,592	5.9%

Operating expense categories changed at varying rates although the overall rate of increase was 5.9%. The scholarships and fellowships category increased by \$3.8 million and effected only the Scholarships and Fellowships functional classification. The College had an increase of 31.3% in supplies and other services and this is due to additional expenditures related to the use of institutional funds for the Higher Education Emergency Relief Funds. The Center for Rural Prosperity and Innovation also issued \$1.1M more in contracts in fiscal year 2022 than fiscal year 2021. The following graph illustrates the College's operating expenses by nature.

2022 Operating Expenses By Nature: \$63,256,218



Nonoperating Revenues and Expenses

State appropriations, non-capital gifts and grants, and investment income are considered nonoperating because they were not generated by the College's principal, ongoing operations. The College received an amendment in the third quarter of fiscal year 2022 that significantly adjusted the original state appropriations allotment. Additional state appropriations of \$1,927,571 was provided to help fund the \$5,000 full time employee cost of living allowance provided in April 2022. The College also received state appropriations cash of \$1,500,000 to prefund the furniture, fixtures, and equipment for the Georgia State Financing and Investment Commission by the Board of Regents. Without the third quarter budget adjustment of state appropriations, the College would have reported a \$990,178 reduction in state appropriations for fiscal year 2022.

Grants and contracts increased by \$8,321,811, which was largely due to the receipt of \$11,713,269 of federal revenue in Higher Education Emergency Relief Funds.

Capital Gifts and Grants decreased by \$21,304,529, mainly due to the completion of the new Edwards Hall and Carlton building renovation that was completed and gifted to the College in fiscal year 2021.

Statement of Cash Flows

The final statement presented by Abraham Baldwin Agricultural College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the College during the year and is divided into five sections. Cash flow information can be used to evaluate the financial viability of the College's ability to meet financial obligations as they mature. The first part is concerned with operating cash flows and shows the net cash used by the operating activities of the institution. The second section is related to cash flows from non-capital financing activities, which reflects the cash received and spent for non-capital financing purposes. The third section summarizes cash flows from capital and related financial activities and contains cash used for acquisition and construction of capital and related items. The fourth section is comprised of the the cash flows from investing

activities and includes the purchases, proceeds and interest received from investing activities. The fifth, and final, section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows, Condensed

	2022	2021	Percent Change
<i>Cash Provided (used) By:</i>			
Operating Activities	(40,581,442)	(31,950,895)	27.0%
Non-capital Financing Activities	46,085,616	34,811,177	32.4%
Capital and Related Financing Activities	(3,933,286)	(60,814)	6367.7%
Investing Activities	63,390	1,567,774	-96.0%
Net Change in Cash	1,634,278	4,367,242	-62.6%
Cash, Beginning of Year	18,427,803	14,060,561	31.1%
Cash, End of Year	20,062,081	18,427,803	8.9%

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2022 and June 30, 2021, were as follows:

Capital Assets, Net of Accumulated Depreciation

	2022	2021	Percent Change
Land	868,472	868,472	0.0%
Capitalized Collections	1,660,816	1,662,156	-0.1%
Construction Work-in-Progress	453,010	41,750	985.05%
Building and Building Improvements	66,662,737	68,511,209	-2.7%
Facilities and Other Improvements	1,206,701	1,353,023	-10.8%
Equipment	2,099,924	1,851,281	13.4%
Library Collections	184,914	205,771	-10.1%
Capital Assets, Net of Accumulated Depreciation	73,136,574	74,493,662	-1.8%

The overall decrease in capital assets was driven by current year depreciation.

Intangible Right to Use Assets

An intangible right-to-use asset represents the College's right to use an underlying asset for the lease term. In GASB issued Statement 87, Lease, the college has recognized \$50,291 of Intangible Right-to-Use Assets, net in fiscal year 2022. The College did not have any Intangible Right-to-Use Assets on July 1, 2021 that would have caused a restatement to the financial statements.

For additional information concerning capital and intangible right-to-use assets, see Notes 1, 6, 8, and 12 in the Notes to the Financial Statements.

Long Term Liabilities

The College has Long-Term Liabilities of \$1,552,552 excluding pension and OPEB liability; of which \$882,928 are current liabilities at June 30, 2022.

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

Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the basic financial statements and communicate information essential for fair presentation. For example, the notes convey information concerning significant accounting policies used to prepare the financial statements, detailed information on cash and investments, receivables, capital leases, compensated absences, retirement, and other post-employment benefits, capital assets and a report of operating expenses by function.

Economic Outlook

The College's overall financial position is strong, as evidenced by the College's fiscal year 2022 operating results.

The University System of Georgia (USG) operates under a funding formula that provides the Governor and General Assembly a basis for new system funding. Allocations to Abraham Baldwin Agricultural College and other USG institutions are determined by the BOR's allocation strategy, which considers the enrollment of system schools. The College's state appropriations budget for fiscal year 2023 is \$24,496,655, a net decrease of \$81,611 from the prior year. Of the fiscal year 2023 allocation, \$1.6 million was provided for the \$5,000 full time employee cost of living allowance implemented in April 2022, and \$1.7 million was provided to eliminate the special institution fee that was charged to students each semester. The college is poised to anticipate and manage future reductions in state appropriations that would be due to slight enrollment reductions and change in the state's financial position due to the economy.

The College has a viability ratio of 555.62 and a capital liability burden ratio of 0.03%. A viability ratio of 1.0 indicates that the institution could pay off all debts. Outside of pension and OPEB liabilities, the College has \$669,624 in non-current liabilities, of which \$646,730 is compensated absences.

Many areas of the College's Auxiliary Enterprises were impacted in fiscal year 2021 by the COVID-19 pandemic due to fewer students living on campus and the College's Georgia Museum of Agriculture seeing significant declines in school tour groups visiting throughout the year. In fiscal year 2022, the College saw many of these areas begin to rebound as can be seen in the Statement of Revenues, Expenditures and Changes in Net Position along with the expenditures reported by functional classification.

In fiscal year 2021 and 2022, federal assistance from the Higher Education Emergency Relief Funds restored lost revenue related to Auxiliary Enterprises. Due to this additional support, the College maintained solid reserves necessary to cover required capital improvements performed in fiscal year 2022 and for future years to come.

The College continues to take steps to enhance student recruitment, both in marketing efforts and in providing additional scholarship funding. Applications, acceptances, and retention are monitored closely to assess the potential impact of economic conditions on future enrollment. We are cautiously optimistic that demand for our programs will remain strong.

The College remains focused on the mission and is mindful of providing this opportunity to students at an affordable price. The College has not had an increase in tuition since Fall 2019 and has not had an increase in mandatory student fees in over ten years. In fiscal year 2023, the College will eliminate the institutional fee charged to all full-time students each semester of \$200. Abraham Baldwin Agricultural College is committed to serving our students and will never cease to work to increase the value of an education from this College.

Financial Section

Financial Statements (GAAP Basis)

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$	19,647,556
Cash and Cash Equivalents (Externally Restricted)		412,937
Short-term Investments		119,304
Accounts Receivable, net		
Federal Financial Assistance		942,185
Affiliated Organizations		109,773
Other		722,148
Inventories		233,183
Prepaid Items		1,528,921
Total Current Assets		<u>23,716,007</u>

Non-Current Assets

Notes Receivable, net		111,326
Non-current Cash (Externally Restricted)		1,588
Investments (Externally Restricted)		1,996,548
Capital Assets, net		73,136,574
Intangible Right-to-Use Assets, net		50,291
Total Non-Current Assets		<u>75,296,327</u>

TOTAL ASSETS

99,012,334

DEFERRED OUTFLOWS OF RESOURCES

\$ 14,610,728

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2022

LIABILITIES

Current Liabilities

Accounts Payable	\$	1,091,939
Salaries Payable		313,261
Benefits Payable		87,386
Contracts Payable		166,699
Retainage Payable		22,700
Advances (Including Tuition and Fees)		1,042,680
Deposits		174,550
Deposits Held for Other Organizations		105,636
Lease Obligations - External		12,348
Compensated Absences		870,580
Total Current Liabilities		<u>3,887,779</u>

Non-Current Liabilities

Lease Obligations - External		22,894
Compensated Absences		646,730
Net Other Post Employment Benefits Liability		43,147,442
Net Pension Liability		10,300,542
Total Non-Current Liabilities		<u>54,117,608</u>

TOTAL LIABILITIES

58,005,387

DEFERRED INFLOWS OF RESOURCES

27,880,209

NET POSITION

Investment in Capital Assets		72,962,224
Restricted for:		
Nonexpendable		1,911,461
Expendable		960,917
Unrestricted (Deficit)		<u>(48,097,136)</u>

TOTAL NET POSITION

\$ 27,737,466

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022

OPERATING REVENUES

Student Tuition and Fees (net)	\$	12,011,567
Grants and Contracts		
Federal		156,386
Sales and Services		335,414
Rents and Royalties		190,130
Auxiliary Enterprises		
Residence Halls		2,468,330
Bookstore		2,106,628
Food Services		3,312,614
Parking/Transportation		224,427
Health Services		443,586
Intercollegiate Athletics		580,730
Other Organizations		610,820
Other Operating Revenues		192,384
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Total Operating Revenues		22,633,016
		<hr/>

OPERATING EXPENSES

Faculty Salaries		9,787,765
Staff Salaries		12,836,930
Employee Benefits		4,749,158
Other Personal Services		216,913
Travel		198,477
Scholarships and Fellowships		12,004,975
Utilities		1,389,710
Supplies and Other Services		18,070,724
Depreciation and Amortization		4,001,566
		<hr/>
Total Operating Expenses		63,256,218
		<hr/>
Operating Income (Loss)	\$	(40,623,202)
		<hr/>

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022

NONOPERATING REVENUES (EXPENSES)

State Appropriations	\$	24,578,266
Grants and Contracts		
Federal		20,246,333
State		138,898
Other		396,856
Gifts		422,758
Investment Expense		(232,521)
Interest Expense		(1,366)
Other Nonoperating Revenues (Expenses)		<u>(3,542)</u>
Net Nonoperating Revenues		<u>45,545,682</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses		<u>4,922,480</u>
Capital Grants and Gifts		
State		<u>136,538</u>
Total Other Revenues, Expenses, Gains or Losses		<u>136,538</u>
Change in Net Position		<u>5,059,018</u>
Net Position, Beginning of Year		<u>22,678,448</u>
Net Position, End of Year	\$	<u><u>27,737,466</u></u>

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Payments from Customers	\$ 22,286,963
Grants and Contracts (Exchange)	325,821
Payments to Suppliers	(28,538,481)
Payments to Employees	(22,682,371)
Payments for Scholarships and Fellowships	(12,004,975)
Other Receipts	31,601
Net Cash Used by Operating Activities	<u>(40,581,442)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State Appropriations	24,578,266
Gifts and Grants Received for Other Than Capital Purposes	21,507,350
Net Cash Flows Provided by Non-Capital Financing Activities	<u>46,085,616</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Gifts and Grants Received	41,750
Purchases of Capital and Intangible Right-to-Use Assets	(3,955,663)
Principal Paid on Capital Debt and Leases	(18,007)
Interest Paid on Capital Debt and Leases	(1,366)
Net Cash Used by Capital and Related Financing Activities	<u>(3,933,286)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	119,245
Investment Income	63,449
Purchase of Investments	(119,304)
Net Cash Provided by Investing Activities	<u>63,390</u>

Net Increase in Cash and Cash Equivalents	1,634,278
Cash and Cash Equivalents, Beginning of Year	<u>18,427,803</u>
Cash and Cash Equivalents, End of Year	<u>\$ 20,062,081</u>

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2022

Abraham Baldwin
Agricultural College

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:

Operating Loss	\$ (40,623,202)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation and Amortization	4,001,566
Operating Expenses Related to Noncash Gifts	—
Change in Assets and Liabilities:	
Receivables, net	113,298
Inventories	882
Prepaid Items	(5,791)
Other Assets	
Notes Receivable, Net	
Accounts Payable	227,462
Salaries Payable	86,204
Benefits Payable	99
Contracts Payable	
Retainage Payable	
Deposits	10,700
Advances (Including Tuition and Fees)	(121,035)
Other Liabilities	
Funds Held for Others	31,601
Compensated Absences	54,597
Due to Affiliated Organizations	
Pollution Remediation	
Claims and Judgments	
Net Pension Liability	(19,272,306)
Other Post-Employment Benefit Liability	(4,440,160)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	18,279,819
Deferred Outflows of Resources	1,074,824
Net Cash Used by Operating Activities	<u>\$ (40,581,442)</u>

NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS

Noncapital Financing Activities Noncash Items:

Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	<u>\$ 1,136,870</u>
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	<u>\$ 20,146</u>
Capital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	<u>\$ 136,538</u>
Gain (Loss) on Disposal of Capital Assets	<u>\$ (3,542)</u>
Accrual of Capital Asset Related Payables	<u>\$ 189,399</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ (53,249)</u>
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	<u>\$ (295,970)</u>

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 78,900
Receivables	
Other	<u>417,152</u>
Total Assets	<u>496,052</u>
LIABILITIES	
Accounts Payable	80
Deposits held for other organizations	<u>24,964</u>
Total Liabilities	<u>25,044</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 471,008</u></u>

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

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 7,717,018
State Financial Aid	4,046,521
Other Financial Aid	1,535,474
Clubs and Other Organizations Fund Raising	217,579
Public-Private Partnership Passthrough	<u>8,192,745</u>
Miscellaneous	<u></u>
Total Additions	<u>21,709,337</u>
DEDUCTIONS	
Administrative Expense	
Scholarships and Other Student Support	13,344,544
Student Organizations Support	253,321
Public-Private Partnership Passthrough	<u>8,209,980</u>
Other Payments	<u></u>
Total Deductions	<u>21,807,845</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>(98,508)</u>
Net Position, Beginning of Year	<u>569,516</u>
Net Position, End of Year	<u><u>\$ 471,008</u></u>

Notes to the Financial Statements

ABRAHAM BALDWIN AGRICULTURAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Abraham Baldwin Agricultural College (College) serves the state and national communities by providing its students with academic instruction that advances fundamental knowledge and by disseminating knowledge to the people of Georgia, the nation, and throughout the world.

Reporting Entity

As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, the College is part of the University System of Georgia (USG), an organizational unit of the State of Georgia (the State) under the governance of the Board of Regents (Board). The Board has constitutional authority to govern, control and manage the USG. The Board is composed of 19 members, one member from each congressional district in the State and five additional members from the state-at-large, appointed by the Governor and confirmed by the Senate. Members of the Board serve a seven year term and members may be reappointed to subsequent terms by a sitting governor.

The College does not have the right to sue/be sued without recourse to the State. The College's property is the property of the State and subject to all the limitations and restrictions imposed upon other property of the State by the Constitution and laws of the State. In addition, the College is not legally separate from the State. Accordingly, the College is included within the State's basic financial statements as part of the primary government as defined in section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the College. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2022, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's ACFR. The most recent State of Georgia ACFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at sao.georgia.gov/annual-comprehensive-financial-reports.

Basis of Accounting and Financial Statement Presentation

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

The College's business-type activities and fiduciary fund 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. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. All significant intra-fund transactions have been eliminated.

The College reports the following fiduciary funds:

- Custodial Funds - Accounts for activities of resulting from the College acting as an agent or fiduciary for various governments, companies, clubs or individuals.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. In fiscal year 2020, the College adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which postponed the effective date of Statement No. 87 to fiscal year 2022. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The adoption of this statement does not have a significant impact on the financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019. In fiscal year 2020, the College adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 89 to fiscal year 2022. The objectives of this statement are to both enhance the relevance and comparability of information about capital assets and the cost of borrowing and to simplify accounting for interest costs incurred before the end of a construction period. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, effective for fiscal years beginning after June 15, 2020. In fiscal year 2020, the College adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 92 to fiscal year 2022. The objective of this statement is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by focusing on practice issues that have been identified during the implementation of various GASB Statements. The adoption of this statement does not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates* effective for years beginning after June 15, 2020. In fiscal year 2020, the College adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 93 to fiscal year 2022. This statement establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates in hedging derivative instruments and leases. This statement also identifies appropriate benchmark interest rates for hedging derivative instruments. The adoption of this statement does not have a significant impact on the financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* effective for fiscal years beginning after December 15, 2021. This statement establishes a new designation of the acronym for state and local government annual financial statements, the Annual Comprehensive Financial Report (ACFR). The adoption of this statement resulted in changes to the naming convention used throughout the report, but has no impact on the financial information provided.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, effective for certain elements of the requirement effective upon issuance. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation. The adoption of this statement does not have a significant impact on the financial statements.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. Cash and Cash Equivalents that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Cash and Cash Equivalents restricted as to use by a third party are reported as externally restricted.

Short-Term Investments

Short-Term Investments consist of investments of 90 days - 13 months. These include certificates of deposits or other time-restricted investments with original maturities of six months or more when purchased. Funds are not readily available and there is a penalty for early withdrawal.

Investments

Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The College accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Investments restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

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

Inventories

Resale inventories are valued at cost using the average-cost basis.

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value (entry price) at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and/or significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

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

For projects managed by GSFIC, GSFIC retains construction in progress in its accounting records throughout the construction period and transfers the entire project to the institutional unit of the USG when complete. For projects managed by institutions of the USG, the institutions retain construction in progress on their books and are reimbursed by GSFIC.

Intangible Right-To-Use Assets

The College leases certain academic spaces, administrative offices, and equipment under lease agreements. The College has both leases under which it is obligated as a lessee and leases for which it is a lessor. Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. Financed leases, which transfer ownership, are included in capital assets and notes payable on the Statement of Net Position.

An intangible right-to-use asset represents the College's right to use an underlying asset for the lease term. Lease obligations represent the College's liability to make lease payments arising from the lease agreement. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the

lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Deferred Outflows of Resources

Deferred outflows of resources consist of the consumption of net position that is applicable to a future reporting period.

Deposits

Deposits represent good faith deposits from students to reserve housing assignments, meal plans or other auxiliary services.

Advances

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

Deposits Held for Other Organizations

Deposits held for others result primarily from escheated funds that are the result of unclaimed property.

Compensated Absences

Employee vacation pay is accrued at the end of the fiscal year for financial statement purposes. The liability and expense incurred are recorded at the end of the fiscal year as compensated absences in the Statement of Net Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Position.

Non-current Liabilities

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

Deferred Inflows of Resources

Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period.

Other Post-Employment Benefit (OPEB)

The net OPEB liability represents the College's proportionate share of the difference between the total OPEB liability and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Board of Regents Retiree Health Benefit Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions and Net Pension Liability

The net pension liability represents the College's proportionate share of the difference between the total pension liability as a result of the exchange for employee services for compensation and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position, additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia. For this

purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The College's net position is classified as follows:

Net Investment in capital assets represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets and intangible right-to-use assets. To the extent debt has been incurred but not yet expended for capital assets or intangible right-to-use assets, such amounts are not included as a component of net investment in capital assets. The term "debt obligations" as used in this definition does not include debt of the GSFIC as discussed previously in Note 1 - Capital Assets section.

Restricted - non-expendable net position includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation. Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. The College maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

Restricted - expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

Income Taxes

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

Classification of Revenues and Expenses

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

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.
- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations and investment income.
- Operating expense includes activities that have the characteristics of exchange transactions.
- Nonoperating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the College has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$4,190,240.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2022 are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Statement of Net Position

Current

Cash and Cash Equivalents	\$	19,647,556
Cash and Cash Equivalents (Externally Restricted)		412,937
Short-term Investments		119,304

Noncurrent

Noncurrent Cash (Externally Restricted)		1,588
Investments (Externally Restricted)		1,996,548

Statement of Fiduciary Net Position

Cash and Cash Equivalents		78,900
	\$	<u>22,256,833</u>

Cash on hand, deposits and investments as of June 30, 2022 consist of the following:

Cash on Hand	13,560
Deposits with Financial Institutions	20,246,725
Investments	1,996,548
	<u>\$ 22,256,833</u>

A. Deposits with Financial Institutions

Deposits include certificates of deposits and demand deposit accounts, including certain interest bearing demand deposit accounts. The custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the College) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated (O.C.G.A.) § 50-17-59:

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.
4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and

interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.

6. Letters of credit issued by a Federal Home Loan Bank.

7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

The College participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered Deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased to amount of up to 125% if economic or financial conditions warrants. The program lists the type of eligible collateral. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository's collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to be fully collateralized.

At June 30, 2022, the bank balances of the College's deposits totaled \$21,168,032. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the USG. Of the College's deposits, \$18,775,880 were uninsured. Of these uninsured deposits, \$18,775,880 were collateralized with securities held by the financial institution's trust department or agent but not in the College's name.

B. Investments

The College maintains an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility it has to the citizens of Georgia and which conforms to Board of Regents investment policy. All investments are consistent with donor intent, Board of Regents policy and applicable federal and state laws.

The following table summarizes the valuation of the College's investments measured at fair value on a recurring basis as of June 30, 2022.

	<u>Fair Value</u>
Investment Pools	
Board of Regents	
Balanced Income Fund	<u>\$ 1,996,548</u>

Board of Regents Pooled Investment Program

The USG serves as fiscal agent for various units of the University System of Georgia and affiliated organizations. The USG pools the monies of these organizations with the USG's monies for investment purposes. The investment pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The fair value of the investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each pooled investment fund balance at fair value along with a pro rata share of the pooled fund's investment returns.

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified University System participants. These policies are intended to foster sound and prudent responsibility each

institution has to the citizens of Georgia and which conforms to the Board of Regents investment policy. All investments must be consistent with donor intent, Board of Regents policy, and applicable Federal and state laws. Units of the University System of Georgia and their affiliated organizations may participate in the Pooled Investment Fund program. The overall character of the pooled fund portfolio should be one of above average quality, possessing at most an average degree of investment risk.

The College’s position in the pooled investment fund is described below.

1. Balanced Income Fund

The Balanced Income Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents.

The equity allocation shall range between 20% and 40%, with a target of 30% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 80%, with a target of 70% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the College’s position in the Balanced Income Fund at June 30, 2022 was \$1,996,548, of which 68% is invested in debt securities. The Effective Duration of the Fund is 5.76 years.

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 College does not have a formal policy for managing interest rate risk for investments.

	Fair Value
Investment type:	
Investment Pools	
Board of Regents	
Balanced Income Fund	\$ 1,996,548

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds, colleges, universities, and foundations:

1. In the Balanced Income Fund, Total Return Fund and Diversified Fund, total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated as least AA+

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2022:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 123,030	\$ 134,679
Auxiliary Enterprises and Other Operating Activities	237,469	
Federal Financial Assistance	942,185	
State General Appropriations Allotment		
Georgia Student Finance Commission		282,473
Georgia State Financing and Investment Commission	163,028	
Due from Affiliated Organizations	109,773	
Due From Other USG Institutions	34,800	
Other	270,225	
	<u>1,880,510</u>	<u>417,152</u>
Less: Allowance for Doubtful Accounts	<u>106,404</u>	
Net Accounts Receivable	<u>\$ 1,774,106</u>	<u>\$ 417,152</u>

Note 4 Inventories

Inventories consisted of the following at June 30, 2022:

Merchandise for Resale	<u>\$ 233,183</u>
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Note 5 Notes and Loans Receivable

Notes receivable consists of resources made available for financial loans to students of the Institution. Allowances for uncollectible loans are reported based on management's best estimate considering type, age, collection history, and other factors considered appropriate.

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2022. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the College for amounts canceled under these provisions. As the College determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education.

Note 6 Capital and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2022 are shown below:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 868,472			\$ 868,472
Capitalized Collections	1,602,283			1,602,283
Construction Work-in-Progress	41,750	453,010	41,750	453,010
Total Capital Assets Not Being Depreciated	2,512,505	453,010	41,750	2,923,765
Capital Assets, Being Depreciated:				
Building and Building Improvements	105,929,360	1,217,828		107,147,188
Facilities and Other Improvements	3,255,880			3,255,880
Equipment	6,836,308	982,991	255,249	7,564,050
Library Collections	2,124,962	32,983	4,639	2,153,306
Capitalized Collections	102,600			102,600
Total Capital Assets Being Depreciated	118,249,110	2,233,802	259,888	120,223,024
Less: Accumulated Depreciation				
Building and Building Improvements	37,418,151	3,066,300		40,484,451
Facilities and Other Improvements	1,902,857	146,322		2,049,179
Equipment	4,985,027	730,806	251,707	5,464,126
Library Collections	1,919,191	53,840	4,639	1,968,392
Capitalized Collections	42,727	1,340		44,067
Total Accumulated Depreciation	46,267,953	3,998,608	256,346	50,010,215
Total Capital Assets, Being Depreciated, Net	71,981,157	(1,764,806)	3,542	70,212,809
Capital Assets, net	<u>\$ 74,493,662</u>	<u>\$ (1,311,796)</u>	<u>\$ 45,292</u>	<u>\$ 73,136,574</u>

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the College when complete. For projects managed by the College, the College retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2022, GSFIC had construction in progress of approximately \$815,915 for incomplete GSFIC managed projects for the College.

Changes in intangible right-to-use assets for the year ended June 30, 2022 are shown below:

	Beginning Balances July 1, 2021	Additions	Reductions	Ending Balance June 30, 2022
Intangible Right-to-use Assets				
Equipment	\$ —	\$ 53,249	\$ —	\$ 53,249
Total Leased Assets Being Amortized	—	53,249	—	53,249
Less: Accumulated amortization				
Equipment	—	2,958	—	2,958
Total Accumulated Amortization	—	2,958	—	2,958
Intangible Right-to-use Assets, net	<u>\$ —</u>	<u>\$ 50,291</u>	<u>\$ —</u>	<u>\$ 50,291</u>

A comparison of depreciation and amortization expense for the last three fiscal years is as follows:

Fiscal Year	Depreciation & Amortization Expense
2022	4,001,566
2021	3,914,532
2020	3,125,475

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2022:

	Current Liabilities
Prepaid Tuition and Fees	\$ 973,078
Other - Advances	69,602
Totals	<u>\$ 1,042,680</u>

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
Leases					
Lease Obligations	\$ —	\$ 53,249	\$ 18,007	\$ 35,242	\$ 12,348
Other Liabilities					
Compensated Absences	1,462,713	1,023,303	968,706	1,517,310	870,580
Total Long-Term Obligations	<u>\$ 1,462,713</u>	<u>\$ 1,076,552</u>	<u>\$ 986,713</u>	<u>\$ 1,552,552</u>	<u>\$ 882,928</u>

See Note 13, Retirement Plans, for information related to net pension liability. See Note 16, Post-Employment Benefits Other Than Pension Benefits, for information related to net other post employment benefits liability.

Note 9 Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2022, consisted of the following:

Deferred Outflows of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 13)	\$ 7,478,001
Deferred Outflow on OPEB Plan (See Note 16)	7,132,727
Total Deferred Outflows of Resources	<u><u>\$ 14,610,728</u></u>

Deferred Inflows of Resources

Deferred Inflow on Defined Benefit Pension Plans (See Note 13)	\$ 16,901,992
Deferred Inflow on OPEB Plan (See Note 16)	10,978,217
Total Deferred Inflows of Resources	<u><u>\$ 27,880,209</u></u>

Service Concessions Arrangements

At June 30, 2022, the College had no service concession arrangements that met the materiality threshold for discrete financial reporting.

Note 10 Net Position

The breakdown of business-type activity net position for the College fund at June 30, 2022 is as follows:

Net Position	
Net Investment in Capital Assets	\$ 72,962,224
Restricted for	
Nonexpendable	
Permanent Endowment	1,911,461
Expendable	
Sponsored and Other Organized Activities	305,846
Federal Loans	549,226
Institutional Loans	19,171
Quasi-Endowments	86,674
Sub-Total	960,917
Unrestricted	
Auxiliary Enterprises Operations	13,268,579
Reserve for Encumbrances	3,158,050
Other Unrestricted	(64,523,765)
Sub-Total	(48,097,136)
Total Net Position	\$ 27,737,466

Other unrestricted net position is reduced by \$46,992,932 related to the recording of net OPEB liability, deferred inflow on OPEB plan, and deferred outflow on OPEB plan. Other unrestricted net position is also reduced by \$19,724,533 related to the recording of net pension liability, deferred inflow on defined benefit pension plans, and deferred outflow on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the College is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in Net Position for the year ended June 30, 2022 are as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Net Investments in Capital Assets	\$ 74,493,662	\$ 2,716,318	\$ 4,247,756	\$ 72,962,224
Restricted Net Position	3,127,217	21,075,011	21,329,850	2,872,378
Unrestricted Net Position (Deficit)	(54,942,431)	47,245,133	40,399,838	(48,097,136)
Total Net Position	\$ 22,678,448	\$ 71,036,462	\$ 65,977,444	\$ 27,737,466

Note 11 Endowments

Donor Restricted Endowments

Investments of the College's endowment funds are pooled, unless required to be separately invested by the donor. For College controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net depreciation for the endowment accounts was (\$245,970) and is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the College's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure.

For the current year, the College did not incur investment losses that exceeded the related endowment's available accumulated income and net appreciation.

Note 12 Leases

Lease Obligations

The College leases equipment. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the College. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The College's principal and interest payments related to leases for fiscal year 2022 were \$18,007 and \$1,366, respectively. Interest rate is 4.2%.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2022:

Description	Gross Amount (+)	Less: Accumulated Amortization (-)	Net, Assets Held Under Lease at June 30, 2022 (=)	Outstanding Balance per Lease Schedules at June 30, 2022
Leased Equipment	53,249	2,958	50,291	35,242
Total Assets Held Under Lease at June 30, 2022	<u>\$ 53,249</u>	<u>\$ 2,958</u>	<u>\$ 50,291</u>	<u>\$ 35,242</u>

The following schedule lists the pertinent information for each of the College's leases.

Certain leases provide for renewal and/or purchase options. Generally purchase options at bargain prices of one dollar are exercisable at the expiration of the lease terms.

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/ Year	Outstanding Principal
30 Forest Lakes Golf Carts	Yamaha	31,819	3 yrs	April 2022	March 2025	11,789
Forest Lakes Range Picker Cart	Yamaha	7,191	3 yrs	April 2022	March 2025	7,033
Forest Lakes Golf Cart	Yamaha	5,500	3 yrs	April 2022	March 2025	5,285
Georgia Musuem of Ag Golf Cart	Yamaha	4,649	3 yrs	April 2022	March 2025	4,653
Georgia Musuem of Ag 6 Passenger Golf	Yamaha	6,624	3 yrs	April 2022	March 2025	6,482
30 Forest Lakes Golf Carts	Yamaha	48,210	3 yrs	June 2019	May 2022	—
Two 4 Seater Golf Cart	Yamaha	7,808	3 yrs	June 2019	May 2022	—
Two Adventurer Golf Carts	Yamaha	9,842	3 yrs	June 2019	May 2022	—
Total Leases		<u>\$ 121,643</u>				<u>\$ 35,242</u>

Certain leases provide for renewal and/or purchase options. Generally purchase options at bargain prices of one dollar are exercisable at the expiration of the lease terms.

Below is the future commitments related to outstanding lease obligations as of June 30, 2022.

	<u>Principal</u>	<u>Interest</u>
Year Ending June 30:		
2023	\$ 12,348	\$ 1,244
2024	12,876	716
2025	<u>10,018</u>	<u>176</u>
Total Minimum Lease Payments	<u><u>\$ 35,242</u></u>	<u><u>\$ 2,136</u></u>

Note 13 Retirement Plans

The College participates in various retirement plans administered by the State of Georgia under two major retirement systems: Teachers Retirement System of Georgia (TRS) and Employees' Retirement System of Georgia (ERS). These two systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

The College also provides the Regents Retirement Plan.

The significant retirement plans that the College participates in are described below. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

A. Teachers Retirement System of Georgia and Employees' Retirement System of Georgia

General Information about the Teachers Retirement System

Plan description

All teachers of the College as defined in O.C.G.A. § 47-3-60 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at trsga.com/publications.

Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2022. The College's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of the annual College payroll. The College's contributions to TRS totaled \$2,972,572 for the year ended June 30, 2022.

General Information about the Employees' Retirement System

Plan description

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at ers.ga.gov/financials.

Benefits provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS.

ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2022 was 24.63% of annual covered payroll for old and new plan members and 21.57% for GSEPS members. The College's contributions to ERS totaled \$65,229 for the year ended June 30, 2022. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the College reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The College's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2021. At June 30, 2021, the College's TRS proportion was 0.113585%, which was a decrease of (0.006320)% from its proportion measured as of June 30, 2020. At June 30, 2021, the College's ERS proportion was 0.010890%, which was a decrease of (0.001617)% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the College recognized pension expense of \$(559,520) for TRS and \$30,692 for ERS. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,397,256	\$ —	\$ 6,028	\$ —
Changes of assumptions	1,944,339	—	73,348	—
Net difference between projected and actual earnings on pension plan investments	—	14,694,220	—	235,409
Changes in proportion and differences between contributions and proportionate share of contributions	—	1,933,651	19,229	38,712
Contributions subsequent to the measurement date	2,972,572		65,229	
Total	<u>\$ 7,314,167</u>	<u>\$ 16,627,871</u>	<u>\$ 163,834</u>	<u>\$ 274,121</u>

The College's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	TRS	ERS
2023	\$ (2,763,190)	\$ (11,530)
2024	\$ (2,538,708)	\$ (43,898)
2025	\$ (3,172,292)	\$ (57,209)
2026	\$ (3,812,086)	\$ (62,879)
2027	\$ —	\$ —
Thereafter	\$ —	\$ —

Actuarial assumptions

The total pension liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improved in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return and the assumed annual rate of inflation.

Employees' Retirement System

Inflation	2.50%
Salary increases	3.00 – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale used for both males and females while in active service. Post-retirement mortality rates were based on the Pub-2010 Family of Tables, with the MP-2019 projection scale applied generationally, as follows: service retirees – General Healthy Annuitant mortality table with further adjustments (set forward one year and adjusted 105% and 108% respectively for males and females); disability retirees – General Disabled Table (set back three years for males, and adjusted 103% and 106% for males and females, respectively); beneficiaries – General Contingent Survivors Table (set forward to two years for both males and females and adjusted 106% and 105% respectively).

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The long-term expected rate of return on TRS and ERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	TRS Target allocation	TRS Long-term expected real rate of return*	ERS Target allocation	ERS Long-term expected real rate of return*
Fixed income	30.00 %	(0.80)%	30.00 %	(1.50)%
Domestic large equities	46.30 %	9.30 %	46.40 %	9.20 %
Domestic small equities	1.20 %	13.30 %	1.10 %	13.40 %
International developed market equities	11.50 %	9.30 %	11.70 %	9.20 %
International emerging market equities	6.00 %	11.30 %	5.80 %	10.40 %
Alternatives	5.00 %	10.60 %	5.00 %	10.60 %
Total	<u>100.00 %</u>		<u>100.00 %</u>	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 7.25% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Institute's proportionate share of the net pension liability to changes in the discount rate:

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.25% for TRS and 7.00% for ERS, as well as what the College's proportionate share of the net pension

liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Teachers Retirement System:

	1% Decrease 6.25%	Current discount rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	\$ 27,060,820	\$ 10,045,836	\$ (3,896,770)

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	466,744	254,707	75,382

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and ERS financial reports which are publicly available at trsga.com/publications and ers.ga.gov/financials, respectively.

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2022, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The College and the covered employees made the required contributions of \$437,222 (9.24%) and \$517,554 (6.00%), respectively.

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

Note 14 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2022, the following self-insured health care options

were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

The College's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

Retirees age 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to a health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare-related expenses.

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

The College is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

A self-insured program of professional liability for its employees was established by the Board of Regents of the University System of Georgia under powers authorized by the O.C.G.A § 45-9-1.

The program insures the employees to the extent that they are not immune from liability against personal liability for damages arising out of the performance of their duties or in any way connected therewith. The program is administered by DOAS as a Self-Insurance Fund.

Note 15 Contingencies

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

Litigation, claims and assessments filed against the College, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022.

Note 16 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, healthcare plan administered by the University System Office, an organizational unit of the USG. The Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2022, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

Retirees age 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to the retirees' health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses.

The College's membership in the Plan consisted of the following at June 30, 2022:

Active Employees	351
Retirees or Beneficiaries Receiving Benefits	228
Retirees or Beneficiaries Eligible But Not Receiving Benefits	—
Retirees Receiving Life Insurance Only	37
	<hr/>
Total	616
	<hr/>

The contribution requirements of plan members and the employer are established and may be amended by the Board. The Plan is substantially funded on a "pay-as-you-go" basis; however, amounts above the pay-as-you-go basis may be contributed annually, either by specific appropriation or by Board designation.

The College pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2022 plan year, the employer rate was approximately 85% of the total health insurance cost for eligible retirees and the retiree rate was approximately 15%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2022, the College contributed \$1,250,968 to the plan for current premiums or claims.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the College reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2021. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The College's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2021. At June 30, 2021, the College's proportion was 0.857277%, which was a decrease of (0.034926)% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the College recognized OPEB expense of \$459,775. At June 30, 2022, the

College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,323,001	\$ 147,618
Changes of assumptions	3,558,758	5,950,918
Net difference between projected and actual earnings on OPEB plan investments	—	106,998
Changes in proportion and differences between contributions and proportionate share of contributions	—	4,772,683
Contributions subsequent to the measurement date	1,250,968	—
Total	<u>\$ 7,132,727</u>	<u>\$ 10,978,217</u>

The College's contributions subsequent to the measurement date of \$1,250,968 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:

2023	\$	(1,908,571)
2024	\$	(1,316,360)
2025	\$	(1,282,785)
2026	\$	(1,155,247)
2027	\$	228,268
Thereafter	\$	338,237

Actuarial assumptions

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of May 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Discount Rate as of 6/30/2021 2.18% GO 20-Municipal Bond Index Rate Discount Rate as of 6/30/2020 2.21% from Bond Buyers GO 20- Municipal Bond Index Long-term Rate of Return 4.37% General Inflation 2.10% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2020
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	6.4%
Medicare Eligible	4%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4%
Year Ultimate Trend is Reached	Fiscal Year 2031 for Pre-Medicare Eligible, Fiscal Year 2021 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019 with the exception of the disability and salary increase assumptions. These assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Mortality improvement scale was updated from MP-2019 to MP-2020.
- The discount rate was updated from 2.21% as of June 30, 2020 to 2.18% as of June 30, 2021.
- The disability rates were changed to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The salary scale was changed from 4.00% to 3.75% to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The HRA annual increase assumption was updated from 4.50% to 4.00% to reflect general long term HRA employer marketplace trends that show HRA amounts increasing slightly lower than long term medical trends but higher than inflation.
- The Expected Return on Assets was changed from 3.75% to 4.37%.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	0.69 %	70 %
Equity Allocation	4.21 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2025 is \$0, based on the valuation completed for the fiscal year ending June 30, 2021. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2025. Therefore, the long-term expected rate of return on Plan investments of 4.37% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 2.18% from the Bond Buyer.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.18%) or 1% higher (3.18%) than the current discount rate (2.18%):

	1% Decrease 1.18%	Current Rate 2.18%	1% Increase 3.18%
Proportionate Share of the Net OPEB Liability	\$ 52,226,777	\$ 43,147,443	\$ 36,145,937

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 36,407,559	\$ 43,147,443	\$ 52,019,502
Pre-Medicare Eligible	5.4% decreasing to 3.5%	6.4% decreasing to 4.5%	7.4% decreasing to 5.5%
Medicare Eligible	3.0%	4.0%	5.0%

OPEB plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the USG Consolidated Annual Financial Report which is publicly available at usg.edu/fiscal_affairs/financial_reporting/.

Note 17 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2022 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 9,495,110	\$ 2,462,137	\$ 2,761,845	\$ 12,849	\$ 61,184
Public Service	66,326	344,301	57,468		25,109
Academic Support	180,555	2,972,981	618,368		39,106
Student Services	5,250	1,895,915	385,947		12,882
Institutional Support	4,200	2,386,698	358,188	204,064	40,342
Plant Operations and Maintenance		105,794	23,923	(7,405)	
Scholarships and Fellowships					
Auxiliary Enterprises	36,324	2,669,104	543,419	7,405	19,854
Total Operating Expenses	<u>\$ 9,787,765</u>	<u>\$ 12,836,930</u>	<u>\$ 4,749,158</u>	<u>\$ 216,913</u>	<u>\$ 198,477</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 199,840	\$ 50,170	\$ 3,003,057	\$ 490,816	\$ 18,537,008
Public Service	61,466	5,159	290,798	46,535	897,162
Academic Support	2,519	63,954	2,631,921	523,415	7,032,819
Student Services	3,520	3,815	987,484	9,012	3,303,825
Institutional Support		34,356	5,057,756	1,302,928	9,388,532
Plant Operations and Maintenance		1,211,786	2,688,330	1,193,850	5,216,278
Scholarships and Fellowships	11,593,252				11,593,252
Auxiliary Enterprises	144,378	20,470	3,411,378	435,010	7,287,342
Total Operating Expenses	<u>\$ 12,004,975</u>	<u>\$ 1,389,710</u>	<u>\$ 18,070,724</u>	<u>\$ 4,001,566</u>	<u>\$ 63,256,218</u>

Required Supplementary Information

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
FOR THE LAST TEN YEARS**

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2022	\$ 65,229	\$ 65,229	\$ —	\$ 263,839	24.72%
	June 30, 2021	\$ 62,604	\$ 62,604	\$ —	\$ 253,416	24.70%
	June 30, 2020	\$ 78,001	\$ 78,001	\$ —	\$ 315,330	24.74%
	June 30, 2019	\$ 63,328	\$ 63,328	\$ —	\$ 255,358	24.80%
	June 30, 2018	\$ 68,712	\$ 68,712	\$ —	\$ 276,951	24.81%
	June 30, 2017	\$ 66,602	\$ 66,602	\$ —	\$ 268,450	24.81%
	June 30, 2016	\$ 105,597	\$ 105,597	\$ —	\$ 427,171	24.72%
	June 30, 2015	\$ 98,514	\$ 98,514	\$ —	\$ 448,608	21.96%
	June 30, 2014	\$ 66,153	\$ 66,153	\$ —	\$ 358,360	18.46%
	June 30, 2013	\$ 48,237	\$ 48,237	\$ —	\$ 323,740	14.90%
Teachers' Retirement System	June 30, 2022	\$ 2,972,572	\$ 2,972,572	\$ —	\$ 14,875,358	19.98%
	June 30, 2021	\$ 2,803,600	\$ 2,803,600	\$ —	\$ 14,778,534	18.97%
	June 30, 2020	\$ 3,270,677	\$ 3,270,677	\$ —	\$ 15,466,280	21.15%
	June 30, 2019	\$ 3,099,698	\$ 3,099,698	\$ —	\$ 14,875,195	20.84%
	June 30, 2018	\$ 2,579,777	\$ 2,579,777	\$ —	\$ 15,287,744	16.87%
	June 30, 2017	\$ 2,214,537	\$ 2,214,537	\$ —	\$ 15,476,443	14.31%
	June 30, 2016	\$ 2,143,126	\$ 2,143,126	\$ —	\$ 15,027,926	14.26%
	June 30, 2015	\$ 2,048,926	\$ 2,048,926	\$ —	\$ 15,583,000	13.15%
	June 30, 2014	\$ 1,876,471	\$ 1,876,471	\$ —	\$ 15,277,291	12.28%
	June 30, 2013	\$ 1,708,047	\$ 1,708,047	\$ —	\$ 14,975,216	11.41%

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST EIGHT FISCAL YEARS***

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2022	0.010890%	\$ 254,707	\$ 253,416	100.51%	87.62%
	June 30, 2021	0.012507%	\$ 527,165	\$ 315,330	167.18%	76.21%
	June 30, 2020	0.010130%	\$ 418,018	\$ 255,358	163.70%	76.74%
	June 30, 2019	0.010858%	\$ 446,376	\$ 276,951	161.18%	76.68%
	June 30, 2018	0.010944%	\$ 444,473	\$ 268,450	165.57%	76.33%
	June 30, 2017	0.008300%	\$ 869,072	\$ 427,171	203.45%	72.34%
	June 30, 2016	0.007300%	\$ 791,441	\$ 448,608	176.42%	76.20%
	June 30, 2015	0.009000%	\$ 596,911	\$ 358,360	166.57%	77.99%
Teachers Retirement System	June 30, 2022	0.113585%	\$ 10,045,836	\$ 14,778,534	67.98%	92.03%
	June 30, 2021	0.119905%	\$ 29,045,684	\$ 15,466,280	187.80%	77.01%
	June 30, 2020	0.121763%	\$ 26,182,337	\$ 14,875,195	176.01%	78.56%
	June 30, 2019	0.128820%	\$ 23,911,751	\$ 15,287,744	156.41%	80.27%
	June 30, 2018	0.134852%	\$ 25,062,659	\$ 15,476,443	161.94%	79.33%
	June 30, 2017	0.087000%	\$ 28,259,470	\$ 15,027,926	188.05%	76.06%
	June 30, 2016	0.088000%	\$ 22,474,440	\$ 15,583,000	144.22%	81.44%
	June 30, 2015	0.086000%	\$ 18,914,389	\$ 15,278,448	123.80%	84.03%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Changes of assumptions

Employees' Retirement System:

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to the rates of mortality, retirement, withdrawal, and salary increases. This also included a change in the long-term assumed investment rate of return to 7.00%.

Teachers Retirement System:

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the Board adopted and recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SIX YEARS***

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2022	\$ 1,250,968	\$ 1,250,968	\$ —	\$ 21,429,906	5.84%
June 30, 2021	\$ 1,006,278	\$ 1,006,278	\$ —	\$ 20,355,757	4.94%
June 30, 2020	\$ 917,113	\$ 917,113	\$ —	\$ 20,927,062	4.38%
June 30, 2019	\$ 1,470,039	\$ 1,470,039	\$ —	\$ 21,118,261	6.96%
June 30, 2018	\$ 1,567,781	\$ 1,567,781	\$ —	\$ 19,820,361	7.91%
June 30, 2017	\$ 1,000,672	\$ 1,000,672	\$ —	\$ 20,370,255	4.91%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST FIVE FISCAL YEARS***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2022	0.857277%	\$ 43,147,443	\$ 20,355,757	211.97%	3.74%
June 30, 2021	0.892203%	\$ 47,587,603	\$ 20,927,062	227.40%	2.91%
June 30, 2020	0.916580%	\$ 40,985,498	\$ 21,118,261	194.08%	3.13%
June 30, 2019	0.989636%	\$ 43,650,380	\$ 19,820,361	220.23%	1.69%
June 30, 2018	1.004900%	\$ 42,402,042	\$ 20,370,255	208.16%	0.19%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Mortality improvement scale was updated from MP-2019 to MP-2020.
- The discount rate was updated from 2.21% as of June 30, 2020 to 2.18% as of June 30, 2021.
- The disability rates were changed to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The salary scale was changed from 4.00% to 3.75% to be consistent with the Teacher's Retirement System of Georgia Pension June 30, 2019 valuation report.
- The HRA annual increase assumption was updated from 4.50% to 4.00% to reflect general long term HRA employer marketplace trends that show HRA amounts increasing slightly lower than long term medical trends but higher than inflation.
- The Expected Return on Assets was changed from 3.75% to 4.37%.

Supplementary Information

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30. 2022
(UNAUDITED)**

ASSETS

Cash and Cash Equivalents	\$	3,785,162.77
Accounts Receivable		
Federal Financial Assistance		929,166.97
Other		1,121,996.73
Prepaid Expenditures		29,530.08
Other Assets		144,572.62
		<hr/>
Total Assets	\$	<u>6,010,429.17</u>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	\$	260,640.14
Encumbrance Payable		1,944,895.15
Accounts Payable		676,739.35
Unearned Revenue		961,083.73
Funds Held for Others		102,003.47
		<hr/>
Total Liabilities	\$	<u>3,945,361.84</u>

Fund Balances

Reserved

Department Sales and Services	\$	718,892.79
Indirect Cost Recoveries		396,968.68
Technology Fees		289,467.72
Restricted/Sponsored Funds		331,509.20
Uncollectible Accounts Receivable		50,902.43
Tuition Carry - Forward		277,320.74
Unreserved		
Surplus		5.77
		<hr/>

Total Fund Balances		<u>2,065,067.33</u>
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Total Liabilities and Fund Balances	\$	<u>6,010,429.17</u>
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Appropriation	Final Budget	Funds Available Compared to Budget	
			Current Year Revenues	Prior Year Reserve Carry-Over
Public Service / Special Funding Initiatives				
State Appropriation				
State General Funds	\$ 1,545,582.00	\$ 1,579,363.00	\$ 1,579,363.00	\$ —
Teaching				
State Appropriation				
State General Funds	19,731,976.00	23,125,766.00	23,125,766.00	—
Federal Funds - Covid 19				
Federal Funds - COVID 19	—	13,304,798.00	11,729,416.78	—
Federal Funds Not Specifically Identified	—	9,753,354.00	8,516,915.94	—
Other Funds	28,001,170.00	15,289,660.00	14,837,048.46	1,894,760.64
Total Teaching	47,733,146.00	61,473,578.00	58,209,147.18	1,894,760.64
 Total Operating Activity	 \$ 49,278,728.00	 \$ 63,052,941.00	 \$ 59,788,510.18	 \$ 1,894,760.64

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	\$ —	\$ 1,579,363.00	\$ —	\$ 1,579,363.00	\$ —	\$ —
Teaching						
State Appropriation						
State General Funds	—	23,125,766.00	—	23,125,766.00	—	—
Federal Funds - Covid 19						
Federal Funds - COVID 19	—	11,729,416.78	(1,575,381.22)	11,729,416.78	1,575,381.22	—
Federal Funds Not Specifically Identified	—	8,516,915.94	(1,236,438.06)	8,516,915.94	1,236,438.06	—
Other Funds	—	16,731,809.10	1,442,149.10	14,676,921.09	612,738.91	2,054,888.01
Total Teaching	—	60,103,907.82	(1,369,670.18)	58,049,019.81	3,424,558.19	2,054,888.01
Total Operating Activity	—	61,683,270.82	(1,369,670.18)	59,628,382.81	3,424,558.19	2,054,888.01

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2021 Surplus	Prior Year Adjustments	Other Adjustments
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	\$ 126,830.40	\$ —	\$ (126,830.40)	\$ —	\$ —
Teaching					
State Appropriation					
State General Funds	\$ 33.00	\$ —	\$ (33.00)	\$ 5.77	\$ —
American Recovery and Reinvestment Act					
Federal Funds - COVID 19	—	—	—	—	—
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	1,894,760.64	(1,894,760.64)	—	(26,696.69)	(14,032.19)
Total Teaching	1,894,793.64	(1,894,760.64)	(33.00)	(26,690.92)	(14,032.19)
Total Operating Activity	2,021,624.04	(1,894,760.64)	(126,863.40)	(26,690.92)	(14,032.19)
Prior Year Reserves					
Not Available for Expenditure					
Uncollectible Accounts Receivable	36,870.24				14,032.19
Budget Unit Totals	\$ 2,058,494.28	\$ (1,894,760.64)	\$ (126,863.40)	\$ (26,690.92)	\$ —

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**ABRAHAM BALDWIN AGRICULTURAL COLLEGE
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Early Return of Fiscal Year 2022 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30, 2022	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Teaching						
State Appropriation						
State General Funds	—	—	5.77	—	5.77	5.77
American Recovery and Reinvestment Act						
Federal Funds - COVID 19	—	—	—	—	—	—
Federal Funds Not Specifically Identified	—	—	—	—	—	—
Other Funds	—	2,054,888.01	2,014,159.13	2,014,159.13	—	2,014,159.13
Total Teaching	—	2,054,888.01	2,014,164.90	2,014,159.13	5.77	2,014,164.90
Total Operating Activity	—	2,054,888.01	2,014,164.90	2,014,159.13	5.77	2,014,164.90
Prior Year Reserves						
Not Available for Expenditure						
Uncollectible Accounts Receivable			50,902.43	50,902.43		50,902.43
Budget Unit Totals	—	2,054,888.01	2,065,067.33	2,065,061.56	5.77	2,065,067.33
				718,892.79	—	718,892.79
				396,968.68	—	396,968.68
				289,467.72	—	289,467.72
				331,509.20	—	331,509.20
				277,320.74	—	277,320.74
				50,902.43	—	50,902.43
				—	5.77	5.77
				2,065,061.56	5.77	2,065,067.33

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

ABRAHAM BALDWIN AGRICULTURAL COLLEGE

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