AUDIT REPORT • FISCAL YEAR 2022

Georgia Public Telecommunications Commission

A Component Unit of the State of Georgia

Greg S. Griffin | State Auditor

DOAA
Georgia Department of Audits & Accounts

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Directors of the Georgia Public Telecommunications Commission
and
Ms. Teya Ryan, Chief Executive Officer

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Georgia Public Telecommunications Commission (Commission), a component unit of the State of Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As described in Note 3 to the financial statements, in 2022, the Commission adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The Commission restated beginning balances for the effect of GASB Statement No. 87. Our opinions are not modified with respect to this matter.

As discussed in Note 7 to the financial statements, in 2022, the Commission restated the prior period financial statements to correct a misstatement. Our opinions are not modified with respect to this matter.

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Commission's 2021 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated November 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,

Greg S. Griffin
State Auditor

February 6, 2023

The following is a discussion and analysis of the financial performance of the Georgia Public Telecommunications Commission (Commission), which does business as Georgia Public Broadcasting (GPB). It provides an overview of the activities for the fiscal year ended June 30, 2022 and compares them to fiscal year ended June 30, 2021. Georgia Public Broadcasting provides educational, instructional and public broadcasting services to the citizens of the state of Georgia. This information is designed to be read in conjunction with the Commission's financial statements that follow this section.

HIGHLIGHTS

Net Position

As of the close of fiscal year 2022, the Commission's combined ending net position totaled $5,310,306. Of this total, $7,480,338 is invested in capital assets and ($2,170,032) is unrestricted (deficit).

Long-term Liabilities

GPB's total long-term liabilities consist of $1,239,992 in compensated absences, $638,523 in leases, $7,127,087 in GPB's proportionate share of net pension liability and $14,559,204 in net other post-employment benefit liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information to the basic financial statements themselves.

The *Government-Wide Financial Statements* are designed to provide a broad overview of the Commission's finances, in a manner similar to private-sector business reports.

The *Statement of Net Position* presents information on the Commission's assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position as of June 30, 2022. The total of assets plus deferred outflows of resources less liabilities and deferred inflows of resources is reported as *Net Position*. Over time, increases or decreases in net position should serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *Statement of Activities* presents information showing how the Commission's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned unused vacation leave).

The government-wide financial statements only include the operations of the Commission. The Commission is considered a component unit of the State of Georgia for financial reporting purposes because of the significance of the Commission's legal, operational and financial relationships with the State of Georgia. These reporting entity relationships are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.

Fund Financial Statements
A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All Commission funds can be classified into the category of *governmental funds*.

Governmental Funds
Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Commission maintains three individual governmental funds. The *General Fund* is a major fund and is used to account for all activities of the Commission not otherwise accounted for by specific funds. The *Special Revenue Fund* is used to account for all financial transactions related to the blended component unit, The Foundation for Public Broadcasting in Georgia, Inc. The *Capital Projects Fund* accounts for financial transactions related to the Commission's capital facilities projects funded by Georgia State Financing and Investment Commission (GSFIC) bonds, Federal Communication Commission (FCC) repacking projects funded by FCC auction proceeds or FCC reimbursements and Public Broadcasting Service (PBS) translator grants for television translator displacement due to the FCC repack.

Notes To Financial Statements
Notes to financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Basic Financial Statements section of this report.

Supplementary Information
In addition to this management's discussion and analysis, which is required supplementary information, the basic financial statements are followed by a section of other required supplementary information that further explains and supports the information in the financial statements. This section, which begins on page 59 of this report, consists of a schedule of the Commission's changes in total OPEB liability and related ratios for Georgia Public Telecommunications Commission's health plan, schedules of proportionate share of the net OPEB asset for SEAD, schedules of proportionate share of the net pension liability for the Employees' Retirement System (ERS) and the Teachers Retirement System of Georgia (TRS), schedules of contributions of ERS and TRS and notes to the required supplementary information for both pension plans.

Other supplementary information that is not required begins on page 68 and consists of a general fund statement of revenues and expenditures budget and actual statement and a statement of activities by Corporation for Public Broadcasting grantee and notes to this supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Georgia Public Telecommunications Commission Net Position

	2022	2021
Assets		
Capital Assets, Net of Depreciation	$ 7,502,043	$ 5,401,574
Intangible Right-To-Use Assets, Net of Amortization	616,818	493,483
Other Assets	25,420,479	23,644,705
Accounts Receivable		
Current	2,125,372	2,191,888
Noncurrent	1,876,270	3,034,960
Total Assets	37,540,982	34,766,610
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plans	4,209,621	2,372,689
Related to Other Post-Employment Benefits Plans	4,320,319	3,220,869
Total Deferred Outflows of Resources	8,529,940	5,593,558
Liabilities		
Other Liabilities	2,683,250	3,707,938
Long-Term Liabilities		
Current	709,140	579,221
Noncurrent	22,855,666	29,260,781
Total Liabiltiies	26,248,056	33,547,940
Deferred Inflows of Resources		
Related to Lease Revenue	2,946,026	4,052,598
Related to Defined Benefit Pension Plans	6,781,585	128,079
Related to Other Post-Employment Benefits Plans	4,784,949	2,027,453
Total Deferred Inflows of Resources	14,512,560	6,208,130
Net Position		
Investment in Capital Assets	7,480,338	5,391,193
Unrestricted (Deficit)	(2,170,032)	(4,787,095)
Total Net Position	$ 5,310,306	$ 604,098

The Commission's total net position increased by $4,706,208 from the prior year which is largely attributed to a net increase in assets.

The adoption of GASB Statement No. 87 on July 1, 2020, 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 obligation and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Future receivables for leases were added to assets in fiscal year 2022, a total of $3,083,054 and in fiscal year 2021 of $4,138,922.

Changes to capital assets were $2,100,469. This change is attributed to the Commission's new inventory process which began during fiscal year 2022 and a restatement of the beginning balance to adjust for prior year acquired assets added in fiscal year 2022. A complete inventory of all Commission assets will be complete during fiscal year 2023.

The Commission's total liabilities for fiscal year 2022 decreased by $7,299,884 and are mostly attributable to a decrease in the OPEB liability of $568,939 and a decrease in net pension liability of $5,958,959. These liabilities are offset by net changes in deferred outflows and inflows of resources related to defined benefit pension plans and the OPEB benefits plan and lease revenue.

The following is a summary of the Changes in Net Position for fiscal years 2022 and 2021:

	2022	2021
Revenues		
Program Revenues		
Charges for Services	$ 7,372,310	$ 7,315,667
Operating Grants and Contributions	3,836,886	3,840,894
Capital Grants and Contributions	712,677	2,853,489
General Revenues		
Intergovernmental - Other State Appropriations	17,923,104	13,837,024
Contributions and Donations	11,230,500	10,224,939
Unrestricted Investment Earnings	(1,310,387)	2,700,128
Transfers and Donated Assets	(395,870)	(3,043,213)
Total Revenues and Transfers	39,369,220	37,728,928
Expenses		
Culture and Education	37,113,033	35,422,682
Increase in Net Position	2,256,187	2,306,246
Net Position - Beginning as Originally Reported	604,098	(1,702,148)
Change in Prior Year Net Position	2,450,021	-
Net Position - Beginning of Year, Restated	3,054,119	(1,702,148)
Total Net Position - Ending	$ 5,310,306	$ 604,098

The increase in total revenues and transfers from fiscal year 2021 to fiscal year 2022 is attributable to a net effect of an increase in state appropriations for one-time funded projects, a decrease in investment earnings due to unrealized losses, decreases in capital grants for projects funded by the Federal Communications Commission (FCC) and transfers of capital assets to the Board of Regents.

The FCC invited stations to enter a reverse auction at the end of 2015 to purchase spectrum used by television stations to sell to wireless to broadband companies. GPTC entered two of its stations into the reverse auction, WJSP TV (Columbus) and WNGH TV (Rome). These stations were on the UHF band and we were able to sell some of our TV spectrum by moving these two stations to a different frequency, a low VHF band. The change will not impact any viewers or listeners around the state. Final FCC funding was received during fiscal year 2022 for the repack projects. At the time of publication, all stations were repacked and the FCC had completed final close out letters for all repacked sites.

Net position as of July 1, 2021, has been restated to adjust for prior fiscal year assets added in fiscal year 2022, a net effect of $2,450,021. This change is in accordance with generally accepted accounting principles.

Other changes to revenue include an increase in sponsorship. The Statement of Activities reflects an increase in net position attributable to current year activity.

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

General Fund

The general fund is the chief operating fund of the Commission and consists of the budget fund for GPB. The budget fund for GPB is the fund responsible for all activities of the Commission. At June 30, 2022 the general fund had $2,843,805 in assigned fund balance for encumbrances and $462,911 in unassigned fund balance as described in the Notes to the Financial Statements.

Special Revenue Fund

The special revenue fund is used to account for all financial transactions related to the blended component unit, The Foundation for Public Broadcasting in Georgia, Inc. Although legally separate, the Foundation is, in substance, a part of the Commission's operations. Funds raised by the Foundation are almost entirely devoted to the benefit of the Commission. At June 30, 2022 the special revenue fund has $19,364,296 in assigned fund balance as described in the Notes to the Financial Statements.

Capital Projects Fund

The capital projects fund accounts for financial transactions related to the Commission's capital facilities projects funded by Georgia State Financing and Investment Commission (GSFIC) bonds and Federal Communication Commission (FCC) repacking projects funded by FCC auction proceeds or FCC reimbursements. At June 30, 2022 the capital projects fund had no fund balance.

BUDGET COMPARISON ANALYSIS

The original budget for the Commission of $34,131,646 increased to $40,416,166 during the fiscal year. Expenditures on a budgetary basis were less than budget by $849,321 and more than revenues by $513,283.

CAPITAL ASSETS

The Commission's investment in capital assets as of June 30, 2022, amounts to $69,370,929 which with accumulated depreciation of $61,868,886 leaves a net book value of $7,502,043. This investment in capital assets includes land, buildings and equipment. The actual depreciation charges for the year totaled $653,484. The Georgia Public Telecommunications Commission entered into a forty-year intergovernmental agreement with the Board of Regents effective July 1, 2012. The Commission transferred other property and equipment at its headquarters location and the WJSP tower site to the Board of Regents. This transfer is required to obtain the use of general obligation bonds sold in the Board of Regents name on behalf of the Commission. The Commission, an authority created after 1967, cannot sell bonds. The net transfer to the Board of Regents in fiscal year 2022 was $395,870.

LONG-TERM LIABILTY ADMINISTRATION

At June 30, 2022, the Commission had $23,564,806 in total long-term liability outstanding with $709,140 due within one year. The following table summarizes total long-term liability outstanding at June 30, 2022, and 2021.

	2022	2021
Leases	$ 638,523	$ 503,864
Compensated Absences	1,239,992	1,121,949
Net Other Post-Employment Benefit Liability	14,559,204	15,128,143
Net Pension Liability	7,127,087	13,086,046
	$ 23,564,806	$ 29,840,002

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Georgia has historically been, and remains, a strong, fiscally conservative state and its strong economy continues to outpace the nation's. However, rising costs are impacting critical state services and inflationary pressure will be a significant driver in the upcoming budget cycle. Demands on state government are expected to increase and the Commission, along with other state agencies, was asked to submit budgets equivalent to our fiscal year 2023 appropriation for amended fiscal year 2023 and fiscal year 2024.

The current state appropriation is approximately 41% of GPB's annual budget. To meet expenditures, GPB must raise approximately $21.0 million for the upcoming budget year. Our revenue generation from outside sources remains critically important as state appropriations remain flat. GPB projects moderate increases in other sources of revenue to sustain its annual budget; however, fundraising efforts could be adversely affected if the economy is unstable.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for those individuals interested in the Commission's finances. Questions concerning any of the information provided in this report should be addressed to:

Georgia Public Broadcasting
Chief Financial Officer
260 14th Street N.W.
Atlanta, Georgia 30318-5360

BASIC FINANCIAL STATEMENTS

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2022
(with summarized comparative information for the year ended June 30, 2021)

EXHIBIT "A"

	Governmental Activities 2022	Governmental Activities 2021
ASSETS		
Cash and Cash Equivalents	$ 11,317,279	$ 7,503,451
Investments	12,978,369	15,574,584
Accounts Receivable		
Current		
Interest	9,135	12,324
Leases	1,206,784	1,103,962
Other	909,453	1,075,602
Noncurrent		
Leases	1,876,270	3,034,960
Net Other Post-Employment Benefit Asset	1,124,831	566,670
Intangible Right-to-Use Assets		
Transmission Towers	799,986	551,095
Equipment	63,154	63,154
Less: Accumulated Amortization	(246,322)	(120,766)
Capital Assets		
Land	1,478,948	1,478,948
Buildings and Building Improvements	217,978	217,978
Other Property and Equipment	67,674,003	69,984,135
Less: Accumulated Depreciation	(61,868,886)	(66,279,487)
Total Assets	37,540,982	34,766,610
DEFERRED OUTFLOWS OF RESOURCES		
Related to Defined Benefit Pension Plans	4,209,621	2,372,689
Related to Other Post-Employment Benefits Plans	4,320,319	3,220,869
Total Deferred Outflows of Resources	8,529,940	5,593,558
LIABILITIES		
Accounts Payable and Other Accruals	789,685	1,062,601
Interest Payable	2,998	2,826
Unearned Revenue	1,890,567	2,642,511
Long-term Liabilities		
Due Within One Year		
Compensated Absences	604,176	465,824
Leases	104,964	113,397
Due in More Than One Year		
Compensated Absences	635,816	656,125
Leases	533,559	390,467
Other Post-Employment Benefit Liability	14,559,204	15,128,143
Net Pension Liability	7,127,087	13,086,046
Total Liabilities	26,248,056	33,547,940
DEFERRED INFLOWS OF RESOURCES		
Related to Lease Revenue	2,946,026	4,052,598
Related to Defined Benefit Pension Plans	6,781,585	128,079
Related to Other Post-Employment Benefits Plans	4,784,949	2,027,453
Total Deferred Inflows of Resources	14,512,560	6,208,130
NET POSITION		
Net Investment in Capital Assets	7,480,338	5,391,193
Unrestricted (Deficit)	(2,170,032)	(4,787,095)
Total Net Position	$ 5,310,306	$ 604,098

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2022
(with summarized comparative information for the year ended June 30, 2021)

EXHIBIT "B"

		Program Revenues 2022			Net (Expense) Revenue and Changes in Net position	
					Governmental Activities	
Functions/Programs	Expenses 2022	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2022	2021
Governmental Activities						
Culture and Education						
Programming and Content	$ 14,782,209	$ 63,140	$ 3,836,886	$ -	$ (10,882,183)	$ (9,752,774)
Operations and Content Delivery	8,386,676	18,372	-	712,677	(7,655,627)	(6,475,473)
Facilities	2,410,835	1,373,033	-	-	(1,037,802)	(729,369)
Marketing and Communications	2,157,561	57,500	-	-	(2,100,061)	(1,541,951)
Fundraising	3,589,634	-	-	-	(3,589,634)	(3,548,879)
Sponsorship	1,202,165	3,753,816	-	-	2,551,651	2,466,842
Studio Rentals and Client Services	1,273,557	2,057,234	-	-	783,677	935,073
Administration	3,310,396	49,215	-	-	(3,261,181)	(2,766,101)
Total Governmental Activities	$ 37,113,033	$ 7,372,310	$ 3,836,886	$ 712,677	(25,191,160)	(21,412,632)
General Revenues						
Intergovernmental - Other State Appropriations					17,923,104	13,837,024
Contributions and Donations					11,230,500	10,224,939
Unrestricted Investment Earnings					(1,310,387)	2,700,128
Transfers and Donated Assets					(395,870)	(3,043,213)
Total General Revenues and Transfers					27,447,347	23,718,878
Change in Net Position					2,256,187	2,306,246
Net Position - Beginning as Originally Reported					604,098	(1,702,148)
Change in Prior Year Net Position					2,450,021	-
Net Position - Beginning of Year, Restated					3,054,119	(1,702,148)
Net Position - Ending					$ 5,310,306	$ 604,098

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022
(with summarized comparative information for the year ended June 30, 2021)

EXHIBIT "C"

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds 2022	Total Governmental Funds 2021
ASSETS					
Cash and Cash Equivalents	$ 4,336,572	$ 6,980,707	$ -	$ 11,317,279	$ 7,765,990
Investments	-	12,978,369	-	12,978,369	15,574,584
Accounts Receivable					
Interest	9,135	-	-	9,135	12,324
Leases	3,083,054	-	-	3,083,054	4,138,922
Other	909,453	-	-	909,453	1,075,602
Total Assets	$ 8,338,214	$ 19,959,076	$ -	$ 28,297,290	$ 28,567,422
LIABILITIES AND FUND BALANCES					
Liabilities					
Cash Overdraft	$ -	$ -	$ -	$ -	$ 262,539
Accounts Payable and Other Accruals	781,764	7,921	-	789,685	1,062,601
Unearned Revenue	1,303,708	586,859	-	1,890,567	2,642,511
Total Liabilities	2,085,472	594,780	-	2,680,252	3,967,651
Deferred Inflows of Resources					
Related to Lease Revenue	2,946,026	-	-	2,946,026	4,052,598
Fund Balances					
Assigned	2,843,805	19,364,296	-	22,208,101	20,203,957
Unassigned	462,911	-	-	462,911	343,216
Total Fund Balances	3,306,716	19,364,296	-	22,671,012	20,547,173
Total Liabilities and Fund Balances	$ 8,338,214	$ 19,959,076	$ -		

		2022	2021
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:			
Land	$ 1,478,948		
Buildings and Building Improvements	217,978		
Other Property and Equipment	67,674,003		
Accumulated Depreciation	(61,868,886)		
Total Capital Assets		7,502,043	5,401,574
Right-to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Leased Transmission Towers	$ 799,986		
Leased Equipment	63,154		
Accumulated Amortization	(246,322)		
Total Right-to-use Assets		616,818	493,483
Certain liabilities and deferred inflows/outflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds. These consist of:			
Compensated Absences		(1,239,992)	(1,121,949)
Leases Liability and Interest Payable		(641,521)	(506,690)
Other Post-Employment Benefit Liability and Deferred Outflows and Inflows on OPEB Plans		(13,899,003)	(13,368,057)
Pension Liability and Deferred Outflows and Inflows on Pension Plans		(9,699,051)	(10,841,436)
		(25,479,567)	(25,838,132)
Net Position of Governmental Activities (Exhibit "A")		$ 5,310,306	$ 604,098

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

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2022
(with summarized comparative information for the year ended June 30, 2021)

EXHIBIT "D"

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds 2022	Total Governmental Funds 2021
REVENUES					
Intergovernmental - Federal					
CARES Act	$ -	$ -	$ -	$ -	$ 168,000
U.S. Department of Education	22,029	-	-	22,029	38,002
Intergovernmental - Other					
State Appropriations through the Board of Regents of the University System of Georgia	17,923,104	-	-	17,923,104	13,837,024
Corporation for Public Broadcasting - Grants	3,814,857	-	-	3,814,857	3,634,892
Federal Communications Commission - Proceeds	-	-	522,143	522,143	1,296,092
GSFIC	-	-	190,534	190,534	375,867
Public Broadcasting Service - Grant	-	-	-	-	1,181,530
Contributions and Donations					
Foundation for Public Broadcasting in Georgia, Inc.	-	11,230,500	-	11,230,500	10,224,939
Interest and Other Investment Income	-	467,241	-	467,241	277,962
Rents and Royalties	2,910,804	-	-	2,910,804	3,133,270
Sales and Services	577,125	-	-	577,125	329,457
Sponsorship	3,475,066	-	-	3,475,066	3,012,742
Gain on Investments	-	(1,777,628)	-	(1,777,628)	2,422,166
Miscellaneous	409,315	-	-	409,315	840,197
Total Revenues	29,132,300	9,920,113	712,677	39,765,090	40,772,140
EXPENDITURES					
Current					
Culture and Education					
Programming and Content	15,037,152	-	-	15,037,152	16,509,439
Operations and Content Delivery	8,124,165	-	713,500	8,837,665	7,701,838
Facilities	2,415,304	-	-	2,415,304	2,638,710
Marketing and Communications	2,202,185	-	-	2,202,185	1,617,165
Fundraising	3,608,580	30,068	-	3,638,648	3,449,549
Sponsorship	1,202,165	-	-	1,202,165	1,020,900
Studio Rentals and Client Services	1,273,676	-	-	1,273,676	787,217
Administration	3,194,646	88,701	-	3,283,347	2,594,228
Total Expenditures	37,057,873	118,769	713,500	37,890,142	36,319,046
Excess Of Revenues Over (Under) Expenditures	(7,925,573)	9,801,344	(823)	1,874,948	4,453,094
OTHER FINANCING SOURCES (USES)					
Leases	248,891	-	-	248,891	30,146
Interfund Transfers	10,249,177	(10,250,000)	823	-	-
Total Other Financing Sources (Uses)	10,498,068	(10,250,000)	823	248,891	30,146
Net change in Fund Balances	2,572,495	(448,656)	-	2,123,839	4,483,240
FUND BALANCES - BEGINNING	734,221	19,812,952	-	20,547,173	16,063,933
FUND BALANCES - ENDING	$ 3,306,716	$ 19,364,296	$ -	$ 22,671,012	$ 20,547,173

		2022	2021
Net change in fund balances - total governmental funds		$ 2,123,839	$ 4,483,240
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:			
Capital Outlay	$ 699,802		
Depreciation Expense	(653,484)	46,318	1,882,551
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds. This activity consists of:			
Increase in Compensated Absences		(118,043)	(45,754)
Increase in Leases		(11,496)	(13,207)
Increase in Other Post-Employment Benefit Obligations		(530,946)	(706,729)
Decrease in Pension Obligations		1,142,385	(250,642)
The net effect of transactions involving capital assets is to increase net position:			
Net Transfer of Equipment		(395,870)	(3,043,213)
Change in net position of governmental activities (Exhibit "B")		$ 2,256,187	$ 2,306,246

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Georgia Public Telecommunications Commission (the Commission) is an instrumentality of the State of Georgia and a public corporation. The Commission, a component unit of the State of Georgia, was created by an Act of the General Assembly of the State of Georgia for the purpose of providing educational, instructional and public broadcasting services to the citizens of the State of Georgia.

The overall management of the business and affairs of the Commission is vested in a Board of Directors. State law provides that the Board is to be comprised of nine members. Board members serve on a part-time basis and are appointed by the Governor for specific periods of time. The Board of Directors appoints an Executive Director who is responsible for the day-to-day operations of the Commission.

A component unit is an entity for which the Commission is financially accountable. Financial accountability includes the ability of the Commission to appoint a voting majority of the component unit's governing board and to impose its will upon the organization or to have the potential for the organization to provide specific financial benefits or impose specific financial burdens on the Commission.

Blended Component Unit

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the Commission and its blended component unit, The Foundation for Public Broadcasting in Georgia, Inc. ("the Foundation"). The Foundation assists the Commission in fulfilling its statutory responsibility for providing educational and public broadcasting to the citizens of the State of Georgia. Funds raised by the Foundation are almost entirely devoted to the benefit of the Commission. The Foundation's Board of Directors is composed of five directors which are the Chairperson and the Vice Chairperson of the Commission's Board, the Executive Director of the Commission and two directors elected by the Foundation's Board.

Because the Foundation, a legally separate entity, is in substance a part of the Commission's operations, the financial statements of the Foundation have been blended with the financial statements of the Commission. To satisfy GAAP requirements for the blending of component units, the Foundation's financial activity is presented as a special revenue fund in a separate column on the Statement of Revenue, Expenditures and Changes in Fund Balance. This presentation more accurately depicts the unique relationship between the Commission and the Foundation.

The Georgia Public Telecommunications Commission, with its blended component unit, is considered a component unit of the State of Georgia for financial reporting purposes because of the significance of its legal, operational and financial relationships with the State of Georgia. The component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member, as identified in the component unit's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity pursuant to the provisions defined in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards.

B. BASIS OF PRESENTATION

A key feature of the governmental financial reporting model is its unique combination of government-wide and fund financial reporting. This combination of government-wide and fund financial reporting is designed to accomplish two goals: (1) to provide information using the economic resources measurement focus and the accrual basis of accounting for functions reported in governmental funds, and (2) to provide net cost information by function for governmental activities. These goals are accomplished through government-wide financial statements and fund financial statements.

The basic financial statements include prior year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission’s financial statements for the year ended June 30, 2020 from which the summarized information was derived.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities report information on all the non-fiduciary activities of the Commission and its component unit.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The only exception to this general rule is in those instances where the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and (b) operating and capital grants and contributions that are restricted to meeting the operational requirements of a particular function. Annual appropriations received from the State of Georgia, through the Board of Regents of the University System of Georgia, and other items not meeting the definition of program revenues are instead reported as general revenue.

Fund Financial Statements

Separate financial statements for each fund category are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements.

The financial activities of the Commission and its blended component unit are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Commission uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Commission reports the following major governmental funds:

The *General Fund* is used to account for all financial transactions not required to be accounted for in another fund. These transactions relate to resources obtained and used for providing educational, instructional and public broadcasting services to the citizens of the State of Georgia.

The *Special Revenue Fund* is used to account for all financial transactions related to the component unit, The Foundation for Public Broadcasting in Georgia, Inc.

The *Capital Projects Fund* accounts for financial transactions related to the Commission’s capital facilities projects funded by Georgia State Financing and Investment Commission (GSFIC) bonds, FCC repacking projects funded by FCC auction proceeds or FCC reimbursements.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenue sources susceptible to accrual include intergovernmental revenue. Appropriations from the State of Georgia, passed through the Board of Regents of the University System of Georgia to the Commission, are recognized when they become measurable and available to the extent they are collected within the current period. All other revenue items become measurable and available when they are earned.

Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

D. ASSETS, LIABILITIES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

The Commission’s cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, money market funds and the State investment pool that have the general characteristics of demand deposit accounts in that the Commission may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty.

Funds held in money market funds and certificates of deposit are valued at cost which approximates fair value.

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

Accounts Receivable
Accounts receivable for service are recorded when either the asset or revenue recognition criteria have been met. Management periodically reviews the status of all the accounts receivable balances for collectability and determined that the balances are collectible and an allowance for uncollectible accounts is considered unnecessary.

Capital Assets
Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities in the government-wide financial statements. All land is capitalized regardless of cost. Buildings and building improvements are capitalized when the cost of individual items or projects exceeds $100,000. Equipment is capitalized when the cost of individual items exceeds $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical costs or estimated historical cost if historical cost information is unavailable. Donated capital assets are recorded at acquisition value on the date donated. Disposals are deleted at recorded cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Capital assets of the Commission are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Useful Life
Building and Building Improvements	10 - 50 Years
Equipment	3 - 20 Years
Vehicles	5 - 10 Years

Intangible Right-to-Use Assets
Leases, as a lessee, are included as intangible right-to-use assets and lease obligations on the Statement of Net Position. An intangible right-to-use asset represents the Commission’s right to use an underlying asset for the lease term. Lease obligations represent the Commission’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.

Leases as Lessee
The Commission is a lessee for noncancellable leases of certain space within buildings owned by 3rd parties.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on the straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

The lease agreements entered into by the Commission as lessee do not contain stated interest rates. Therefore, the Commission has used its estimated incremental borrowing rate as the discount rate for the leases. The Commission has estimated this incremental borrowing rate to be 1.742% to 3.42% for the leases in which the Commission is currently involved as the lessee.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments the Commission will make over the lease term.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use assets and lease liabilities are reported with current and long-term debt on the statement of net position.

Leases as Lessor

The Commission is a lessor for noncancellable leases of space within buildings and transmission towers owned by the Commission. The Commission recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in the statement of net position.

At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources for deferred lease receipts is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain costs paid to or reimbursed to the lessee. Subsequently, the deferred inflow of resources is amortized on a straight-line basis over the lease term.

Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The lease agreements entered into by the Commission do not contain stated interest rates. Therefore, the Commission has used its estimated incremental borrowing rate as the discount rate for the leases. The Commission has estimated this incremental borrowing rate to be 1.742% to 2.72% for the leases in which the Commission is currently involved as the lessor.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments the Commission will receive over the lease term.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows of Resources
Deferred outflows of resources reported in the Commission’s Statement of Net Position represents resources related to the Employees’ Retirement System of Georgia (ERS) and the Teachers Retirement System of Georgia (TRS) pension plans and the Commission’s other post-employment benefits plan (OPEB) related to health insurance and the State Employees’ Assurance Department (SEAD) OPEB. It represents a consumption of net resources that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense) until that time. Deferred outflows of resources have a positive effect on net position, but they are not assets.

Unearned Revenue
Unearned revenue includes grant funds, rentals and fees received but not earned.

Long-Term Liabilities
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. The Commission’s long-term obligations include compensated absences, leases, pensions and other post-employment benefits obligations.

Deferred Inflows of Resources
Deferred inflows of resources reported in the Commission’s Statement of Net Position represents resources related to the Employees’ Retirement System of Georgia (ERS) and the Teachers Retirement System of Georgia (TRS) pension plans; the Commission’s other post-employment benefits plan (OPEB) related to health insurance and the State Employees’ Assurance Department (SEAD) OPEB and related to leases. It represents an acquisition of net resources that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources have a negative effect on net position, but they are not liabilities.

Pension Items
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 fiduciary net position of the Employees’ Retirement System (ERS) and the Teachers Retirement System of Georgia (TRS) and additions to/deductions from ERS’s and TRS’s fiduciary net position have been determined on the same basis as they are reported by ERS and TRS. 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.

Other Post-Employment Benefits (OPEB) Items
There are two items relating to OPEB. The Commission’s OPEB Plan is a single-employer defined benefit post-retirement healthcare plan and the SEAD-OPEB establishes a fund for the provision of term life insurance to retired and vested inactive members of ERS, the Georgia Judicial

Retirement System (GJRS), and Legislative Retirement System (LRS). For purposes of measuring the net SEAD-OPEB asset, deferred outflows of resources and deferred inflows of resources related to SEAD-OPEB, and SEAD-OPEB expense, net position has been determined on the same basis as reported by ERS.

Fund Balance

In the fund financial statements, governmental funds fund balance is composed of classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The governmental funds classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned Fund Balance – This classification includes revenue sources that reflect the intended use of resources established at either the highest level of decision making, or by a body or official designated for that purpose.

Unassigned Fund Balance – This classification includes that portion of fund balance that has not been restricted for specific purposes.

The Commission receives an annual appropriation from the State of Georgia through the Board of Regents of the University System of Georgia. In general, Georgia law requires that unencumbered annual state appropriations lapse at fiscal year end; however, statutory provisions allow the Commission to carry over unencumbered appropriations to future periods. Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end in the amount of $2,843,805 are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. The special revenue fund has an assigned fund balance of $19,364,296 as of June 30, 2022. This balance consists of funding for general operational support of the Commission.

Net Position

In the government-wide financial statements, the difference in the Commission's assets and liabilities is reported as net position. Where applicable, net position is reported in three categories:

Net investment in capital assets consists of a total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to leased assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component in capital assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position is often designated, indicating they are not available for general operations. Such designations have internally imposed constraints on resources but can be removed or modified.

E. REVENUES AND EXPENDITURES/EXPENSES

Program Revenues

Amounts reported as program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and (b) operating and capital grants and contributions that are restricted to meeting the operational requirements of a particular function. Annual appropriations received from the State of Georgia, through the Board of Regents of the University System of Georgia, and other items not meeting the definition of program revenues are instead reported as general revenue.

Compensated Absences

Employees earn annual leave ranging from ten to fourteen hours each month depending upon the employee's length of continuous State service with a maximum accumulation of forty-five days. Employees are paid for a maximum of 360 hours of unused accumulated annual leave upon retirement or termination of employment.

Employees earn ten hours of sick leave each month with a maximum accumulation of ninety days. Sick leave does not vest with the employee. Unused accumulated sick leave is forfeited upon retirement or termination of employment unless an employee that is retiring has a combined total of 960 hours to include unused sick leave and forfeited annual leave. Thus, certain employees who retire with one hundred and twenty days or more of forfeited annual and sick leave or 960 hours or more are entitled to additional service credit in the Employees' Retirement System of Georgia.

F. BUDGET

The annual budget of the Commission is prepared on the budgetary basis. The budget is prepared by the Commission and reviewed by the Board. Liabilities and expenditures are recorded upon issuance of completed purchase orders. Goods and services need not have been received for liabilities and expenditures to be recorded.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

State of Georgia Collateralization Statutes and Policies

Funds belonging to the State of Georgia (and thus the Commission) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated Section 50-17-59:

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.

4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.
6. Letters of credit issued by a Federal Home Loan Bank.
7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

The Georgia General Assembly enacted legislation creating the Georgia State Pledging Pool Program effective in January 1999. This bill allows a bank to manage the collateral pledged towards their public funds in a pooled method instead of the traditional dedicated method. The Commission and Foundation bank accounts are a part of the Georgia State Pledging Pool program that is administered by the Georgia Bankers Association. This pool allows public depositors the option of having their financial institution secure deposits using a pooled method. By using the pooled method, the bank can pledge a pool of securities against the combined deposits of all their public depositors net of the FDIC insured amount. There are three separate entities that monitor deposits on a regular basis - the financial institution, the Office of the State Treasurer (OST) and GBA Services, Inc. (GBASI), a subsidiary of Georgia Bankers Association and authorized administrative agent for the OST. Significant savings are realized in administrative time and by avoiding the fees safe keepers charge to move securities from one account holder to another.

NOTE 3: ACCOUNTING CHANGES - ADOPTION OF NEW ACCOUNTING PRINCIPLES

During fiscal year 2022, the following GASB statement was implemented:

No. 87 Leases

This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It 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 lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Statement No. 87 requires changes to lessee and lessor accounting practices including the following. A lessee should recognize a lease liability and lease asset at the commencement of the lease, unless the lease is a short-term lease or it transfers ownership of the underlying asset. A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset.

The Commission adopted this statement effective July 1, 2020 during fiscal year 2022 preparation of financial statements. The adoption of this statement required changes to the Commission recognition of leases and had an impact on the financial statements for fiscal year 2022 and 2021. Details about these leases can be found under Note 8: Leases and Note 6: Capital Assets and Intangible Right-to-Use-Assets. Other impacts include adding a lease liability (lessee) and deferred inflows of resources (lessor) for fiscal year 2022 and fiscal year 2021.

NOTE 4: DEPOSITS AND INVESTMENTS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the Commission's deposits may not be recovered. At June 30, 2022 the Commission's deposits bank balance of $6,660,425 was insured and collateralized as part of the State of Georgia Pledging Pool; therefore, none of this amount was exposed to custodial credit risk.

	2022		2021	
	Cash and Cash Equivalents	Investments	Cash and Cash Equivalents	Investments
Per Statement of Net Position	$ 11,317,279	$ 12,978,369	$ 7,503,451	$ 15,574,584
Reclassifications to Investments for Risk Assessment Disclosures				
Money Market Mutual Fund	(4,941,980)	4,941,980	(3,678,921)	3,678,921
Per Notes to the Financial Statements	$ 6,375,299	$ 17,920,349	$ 3,824,530	$ 19,253,505

B. Investments
The Commission's investments as of June 30, 2022 are presented by investment type and debt securities are presented by maturity.

	Investment Maturity					
Investment Type	**Less Than 1 Year**	**1 - 5 Years**	**6 - 10 Years**	**More than 10 Years**	**Fair Value 2022**	**Fair Value 2021**
Debt Securities						
Corporate Bonds	$ -	$ 2,207,098	$ -	$ -	$ 2,207,098	$ 4,228,478
Money Market Mutual Fund	4,941,980	-	-	-	4,941,980	3,678,921
CMO and Asset Backed Securities	-	147,558	-	-	147,558	375,463
Municipal Bonds	-	527,695	-	-	527,695	755,795
U. S. Agencies	-	280,173	-	-	280,173	484,245
U. S. Treasury Obligations	-	609,061	-	-	609,061	1,495,309
	$ 4,941,980	$ 3,771,585	$ -	$ -	8,713,565	11,018,211
Other Investments						
Exchange Traded Funds					9,206,784	8,235,294
					$ 17,920,349	$ 19,253,505

Interest Rate Risk
Interest rate risk is the chance that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Commission, through the Foundation, contracts with an investment consultant and professional investment managers to invest assets on the Foundation's behalf. The investment consultant and the fixed income manager work together to adjust bond duration to minimize the interest rate risk of the bond portfolio. Asset allocations and general investment guidelines are determined by the Foundation's investment policy.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy includes the following investing restrictions to manage credit risk:

1. **Acceptable Fixed Income Investments** may be comprised of the following: Domestic bonds, of "Baa3/BBB-" (as rated by Moody's and/or S&P) or better with sufficient liquidity; bonds issued by or guaranteed by the U.S. Treasury or U.S. Government agencies are considered AA+ rating; Convertible bonds; Treasury Inflation Protected Securities (TIP's); Exchange Traded Funds (ETF's) and Fixed Income mutual funds.
2. **Acceptable Cash Equivalent Investments** may be comprised of the following: Certificates of Deposit ($250,000 maximum investment per issuer, as insured by FDIC); Money Market Funds, Commercial Paper (Rate A-1, P-1), U.S. Treasury bills and any other high quality fixed income investment with a yield to maturity of less than one (1) year (see ratings restrictions in above Fixed Income).
3. **Unacceptable/Restricted Investments and/or Transactions** are as follows: Borrowing of money; Purchasing of securities on margin or short sales; Pledging, mortgaging, or hypothecating of any securities; Purchase of securities of the investment advisor, its parent or its affiliates; Purchase of illiquid securities (i.e. private placements, real estate

or mortgages, Limited Partnerships); Purchase or sale of commodities, (unless held in an actively managed, liquid EFT or mutual fund structure), commodity contracts and purchase or sale of futures of options for speculation or leverage.

The following table provides information about the Commission's exposure to credit quality risk.

	Quality Ratings					Fair Value	Fair Value
Rated Debt Investments	**AAA**	**AA**	**A**	**BBB**	**Unrated**	**2022**	**2021**
Corporate Bonds	$ -	$ 124,620	$ 1,186,754	$ 895,724	$ -	$ 2,207,098	$ 4,228,478
Money Market Mutual Fund	-	-	-	-	4,941,980	4,941,980	3,678,921
CMO and Asset Backed Securities	147,558	-	-	-	-	147,558	375,463
Municipal Bonds	98,157	225,678	203,860	-	-	527,695	755,795
U.S. Agencies	-	280,173	-	-	-	280,173	484,245
U. S. Treasury Obligations	-	460,245	-	-	148,816	609,061	1,495,309
	$ 245,715	$ 1,090,716	$ 1,390,614	$ 895,724	$ 5,090,796	$ 8,713,565	$ 11,018,211

Equity Risk

Equity risk is the risk that equity investments or funds holding equity investments (ETFs and mutual funds) will lose value due to poor market conditions, an economic recession, and/or any number of unforeseen events (economic or geopolitical). Additionally, foreign equities held in U.S. dollar denominated funds are subject to foreign exchange risk. The Commission's policy for managing equity risk is to only allocate funds to equities that are longer-term in nature and can be held through a full market cycle. With the assistance of the investment consultant, the investment committee will determine the appropriate allocation to equities based on market conditions and the near-term liquidity needs of the Commission. The investment policy includes the following investing restrictions to manage equity risk:

1. **Acceptable Equity Investments** should consist of the following: Domestic (U.S.) common stock-includes preferred and convertible issues; American Depository Receipts (ADR's) of foreign companies; mutual funds (excluding those managed by the manager's/advisor's firm(s)); Exchange Traded Funds (ETF's) and Publicly-traded Real Estate Investment Trusts (REIT's).
2. **Unacceptable Equity Investments** include the following, but not limited: Unlisted stocks; "Penny Stocks," Options (puts and calls) and Non-U.S. Dollar denominated foreign stocks.

Fair Value Measurement

Investments are measured at fair value on a recurring basis and the Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the inputs used in valuation and gives the highest priority to unadjusted quoted prices in active markets and requires that observable inputs be used in the valuation when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into valuations are observable. In determining the level of the hierarchy, in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs.

- Level 1 – valuations based on unadjusted quoted prices in active markets for identical assets and have daily liquidity and daily pricing. Commission investments under Level 1 include money market funds, exchange traded funds and U.S. Treasury Securities.

- Level 2 – valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable. Commission investments under Level 2 include U.S. Agencies, Corporates, Municipals, Agency Mortgage-backed, Commercial Mortgage-backed and Asset-backed securities.

- Level 3 – valuations based on inputs that are unobservable and significant to the overall fair value measurement. The Commission's investments did not hold any level 3 inputs at June 30, 2022.

The Commission did not have any Net Asset Value (NAV) investments at June 30, 2022. The following table shows the fair value leveling of the Commission's investments.

	Fair Value Measures Using				
Investments by Fair Value Level	**Quoted prices in active markets for identical assets Level 1**	**Significant other observable inputs Level 2**	**Significant unobservable inputs Level 3**	**Total 2022**	**Total 2021**
Debt Securities					
Corporate Bonds	$ -	$ 2,207,098	$ -	$ 2,207,098	$ 4,228,478
Money Market Mutual Fund	4,941,980	-	-	4,941,980	3,678,921
CMO and Asset Backed Securities	-	147,558	-	147,558	375,463
Municpal Bonds	-	527,695	-	527,695	755,795
U. S. Agencies	-	280,173	-	280,173	484,245
U. S. Treasury Obligations	609,061	-	-	609,061	1,495,309
Other Investments					
Exchange Traded Funds	9,206,784	-	-	9,206,784	8,235,294
	$ 14,757,825	$ 3,162,524	$ -	$ 17,920,349	$ 19,253,505

Custodial Credit Risk-Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Commission will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Commission's policy for managing custodial credit risk for investments is to have all investments managed through an investment account custodian. This custodian provides Securities Investor Protection Corporation (SIPC) which protects securities customers of its member institutions for up to $500,000 (including $100,000 for claims for cash). In addition to this coverage, the custodian has secured protection through additional commercial insurance to $150.0 million per customer.

At June 30, 2022, $17,920,349 of the Commission's applicable investments was held by the investment account custodian.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Commission's policy for managing concentration of credit risk is no individual security, except diversified funds, shall make up more than 5% of each portfolio. The Fixed Income Securities portfolio has additional stipulations stating that in the case of asset backed securities and private label mortgage obligations the maximum limit shall relate to obligations from a specific "master trust" which holds the assets collateralizing the securities. There shall be no such limit on U.S. Government securities or U.S. Government-sponsored agency securities or mortgage obligations that are collateralized entirely by U.S. Government or U.S. Government agency securities. The maximum exposure to any single municipal obligor shall not exceed 5% of the total portfolio.

The investment advisor for the Fixed Income portfolio which represents approximately 22% of the Commission's total funds available for investment has additional restrictions to limit the relative sector exposure of the investments and additional restrictions on the type of investments. The restrictions include: No obligations of BB&T Corporation/Truist Financial Corporation which own the investment advisor's company; No Private Placements; No Derivatives; No Non-U.S. Dollar Denominated Issues. The restrictions to limit the relative sector exposure include: Exposure to corporate debt will be restricted to 60% of the portfolio market value; Exposure to mortgage-backed securities will be restricted to a maximum of 30% of the weighting of the portfolio; Asset-backed securities will be restricted to a maximum of 25% of the portfolio; Commercial Mortgage Backed Securities will be restricted to a maximum of 25% of the portfolio; Yankee debt will be restricted to a maximum of 10% of the fund and Total exposure to municipal obligations shall not exceed 15% of the overall account. At June 30, 2022, the Commission did not have any debt investments in any one organization, other than those issued or guaranteed by the U.S. Government or its agencies, which represented greater than 5% of total investments.

NOTE 5: ACCOUNTS RECEIVABLE

	Governmental Activities	
	2022	**2021**
Production, Sales, Rents and Sponsorship	$ 909,453	$ 813,063
Interest	9,135	12,324
Leases	3,083,054	4,138,922
GSFIC Bonds	-	250,318
FCC Proceeds	-	12,221
Total	$ 4,001,642	$ 5,226,848

NOTE 6: CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS:

Capital asset activity at June 30, 2022 and June 30, 2021 is as follows:

Governmental Activities:	Beginning Balance 2022 (Restated)	Increases	Decreases	Ending Balance 2022
Capital Assets, Not Being Depreciated:				
Land	$ 1,478,948	$ -	$ -	$ 1,478,948
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	217,978	-	-	217,978
Other Property and Equipment	72,655,679	699,802	(5,681,478)	67,674,003
Total Capital Assets Being Depreciated	72,873,657	699,802	(5,681,478)	67,891,981
Less: Accumulated Depreciation For:				
Buildings and Building Improvements	(58,855)	(4,905)	-	(63,760)
Other Property and Equipment	(66,442,155)	(648,579)	5,285,608	(61,805,126)
Total Accumulated Depreciation	(66,501,010)	(653,484)	5,285,608	(61,868,886)
Governmental Activities Capital Assets, Net	$ 7,851,595	$ 46,318	$ (395,870)	$ 7,502,043

Governmental Activities:	Beginning Balance 2021	Increases	Decreases	Ending Balance 2021
Capital Assets, Not Being Depreciated:				
Land	$ 1,478,948	$ -	$ -	$ 1,478,948
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	217,978	367,595	(367,595)	217,978
Other Property and Equipment	69,115,340	3,607,465	(2,738,670)	69,984,135
Total Capital Assets Being Depreciated	69,333,318	3,975,060	(3,106,265)	70,202,113
Less: Accumulated Depreciation For:				
Buildings and Building Improvements	(53,950)	(4,905)	-	(58,855)
Other Property and Equipment	(64,196,080)	(2,087,604)	63,052	(66,220,632)
Total Accumulated Depreciation	(64,250,030)	(2,092,509)	63,052	(66,279,487)
Governmental Activities Capital Assets, Net	$ 6,562,236	$ 1,882,551	$ (3,043,213)	$ 5,401,574

The Commission restated the beginning balance for fiscal year 2022 to adjust for prior fiscal year acquired assets added in fiscal year 2022. This effected the beginning balance for other property and equipment added and accumulated depreciation expense, a net effect of $2,450,021.

Depreciation expense for the fiscal year ended June 30, 2022 was $653,484 and the total expense by function is as follows:

Culture and Education		
Operations and Content Delivery	$	586,216
Studio Rentals and Client Services		4,960
Programming and Content		16,167
Marketing and Communications		2,864
Administration		4,880
Facilities		38,397
	$	653,484

The Commission entered into a 40-year Intergovernmental Agreement with the Board of Regents effective July 1, 2012. In exchange for transferring Buildings and Building Improvements and Other Property and Equipment located at the Commission's headquarters and the WJSP tower site to the Board of Regents, the Commission receives the proceeds of general obligation bond funds sold in the Board of Regents' name. As an authority created after 1967, the Commission cannot sell bonds. Under the terms of the Agreement, the Commission continues to use and maintain its headquarters site and the WJSP tower site. The Commission is also permitted to improve these sites. Title to any improvements at these sites is transferred to the Board of Regents as the improvements are completed. The transfer to the Board of Regents of $395,870 is included as a decrease to the Commission's assets in fiscal year 2022.

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

	Beginning Balance 2022	Increases	Decreases	Ending Balance 2022
Governmental Activities:				
Intangible Right-To-Use Assets				
Transmission Towers	$ 551,095	$ 248,891	$ -	$ 799,986
Equipment	63,154	-	-	63,154
Total Leased Assets	614,249	248,891	-	863,140
Less Accumulated Amortization For:				
Transmission Towers	(97,867)	(102,015)	-	(199,882)
Equipment	(22,899)	(23,541)	-	(46,440)
Total Accumulated Amortization	(120,766)	(125,556)	-	(246,322)
Governmental Activities Intangible Right-To-Use Assets, Net	$ 493,483	$ 123,335	$ -	$ 616,818

	Beginning Balance 2021 (Restated)	Increases	Decreases	Ending Balance 2021
Governmental Activities:				
Intangible Right-To-Use Assets				
Transmission Towers	$ 551,095	$ -	$ -	$ 551,095
Equipment	33,008	30,146	-	63,154
Total Leased Assets	584,103	30,146	-	614,249
Less Accumulated Amortization For:				
Transmission Towers	-	(97,867)	-	(97,867)
Equipment	-	(22,899)	-	(22,899)
Total Accumulated Amortization	-	(120,766)	-	(120,766)
Governmental Activities Intangible Right-To-Use Assets, Net	$ 584,103	$ (90,620)	$ -	$ 493,483

Amortized expense for the fiscal year ended June 30, 2022 was $125,556 and the total expense by function is as follows:

Culture and Education	
Operations and Content Delivery	$ 102,015
Facilities	23,541
	$ 125,556

NOTE 7: RESTATEMENT OF PRIOR YEAR BALANCES

Net position as of July 1, 2021, has been restated to adjust for prior fiscal year assets added in fiscal year 2022, a net effect of $2,450,021. This change is in accordance with generally accepted accounting principles.

For fiscal year 2022, the Commission made prior period adjustments due to the adoption of GASB Statement No. 87, as described in Note 3 "Accounting Changes - Adoption of New Accounting Principles," which requires the restatement of the June 30, 2021 intangible right-to-use asset and long-term liabilities in governmental activities. These changes are in accordance with generally accepted accounting principles.

NOTE 8: LEASES

The adoption of GASB Statement No. 87 on July 1, 2020, 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 obligation and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Commission is a lessee and lessor and details of these leases are reported below.

Lessee

The Commission has acquired equipment and transmission tower space under the provisions of various contracts that convey control of the right to use another entity’s asset for a period of time in an exchange or exchange-like transaction. These contracts are classified as leases for accounting purposes. The Commission’s principal and interest payments related to leases for fiscal year 2022 were $114,232 and $13,339 respectively. Interest rates range from 2.26% to 3.42%.

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

	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Lease Obligation	Outstanding Balance Per Lease Schedules
Leased Transmission Towers	$ 799,986	$ 199,883	$ 600,103	$ 621,478
Leased Equipment	63,154	46,439	16,715	17,045
Total Assets Held Under Lease	$ 863,140	$ 246,322	$ 616,818	$ 638,523

The following schedule lists the pertinent information for each of the Commission's leases:

Description	Lessor		Original Principal	Lease Term Months		Outstanding Principal
Copiers	Canon USA, Inc.	$	33,008	13	$	1,348
Postage Meter	Pitney Bowes, Inc.		30,146	36		15,697
Transmission Tower	Crown Castle South, LLC		82,996	72		57,760
Transmission Tower	Media General Operations, Inc.		353,099	57		243,108
Transmission Tower	Habersham Broadcasting Company		115,000	48		72,554
Transmission Tower	Crown Castle South, LLC		248,891	360		248,056
Total Leases		$	863,140		$	638,523

A schedule of future lease payments is shown below:

Year Ended June 30:		Principal		Interest		Total
2023	$	104,964	$	17,603	$	122,567
2024		109,758		14,855		124,613
2025		108,048		12,027		120,075
2026		69,337		9,447		78,784
2027		4,481		8,384		12,865
2028 - 2032		15,593		40,216		55,809
2033 - 2037		28,155		36,542		64,697
2038 - 2042		44,594		30,408		75,002
2043 - 2047		65,878		21,069		86,947
2048 - 2052		87,715		7,619		95,334
Total Lease Payments	$	638,523	$	198,170	$	836,693

Prior to the implementation of GASB Statement No. 87, all leases for the Commission were reported as operating leases so there was no impact on prior year net position due to this change in accounting principle.

Lessor

The Commission has rented out office space and transmission tower space under the provisions of various contracts that convey control of the right to use the Commission’s asset for a period of time in an exchange or exchange-like transaction. These contracts are classified as leases for accounting purposes. The Commission’s receivable and interest payments related to revenue leases for fiscal year 2022 were $1,200,463 and $114,918 respectively. Interest rates range from 2.26% to 3.42%.

The following is a summary of the inflows of resources under lease at June 30, 2022:

Description	Beginning Future Receivable	Less: Rent	Ending Future Receivable	Ending Deferred Inflows of Resources
Transmission Tower	$ 1,490,110	$ 240,308	$ 1,249,802	$ 1,195,144
Office Space	2,648,812	815,561	1,833,251	1,750,882
Total Leases	$ 4,138,922	$ 1,055,869	$ 3,083,053	$ 2,946,026

The following schedule lists the pertinent information for each of the Commission's revenue leases:

Description	Lessee	Beginning Future Receivable	Lease Term Months	Begin Month/Year	End Month/Year	Ending Future Receivable
Transmission Tower	Georgia Bureau of Investigation	$ 49,681	48	July 2020	June 2025	$ 37,880
Office Space	Georgia Institute of Technology	1,502,821	36	July 2020	June 2024	1,029,630
Transmission Tower	ITT Corporation	148,324	105	July 2020	February 2030	133,364
Office Space	Georgia Institute of Technology	993,132	36	July 2020	June 2024	680,074
Transmission Tower	National Oceanic and Atmospheric Admin.	333,439	39	July 2020	September 2024	236,857
Transmission Tower	Federal Bureau of Investigation	193,963	63	July 2020	September 2026	161,515
Office Space	Broadcast Solutions	3,637	24	July 2020	August 2020	-
Office Space	Georgia Radio Reading Service	21,686	24	July 2020	June 2023	10,965
Transmission Tower	CNZ Communications SE, LLC	318,266	96	July 2020	June 2029	284,504
Transmission Tower	National Oceanic and Atmospheric Admin.	172,664	87	July 2020	September 2028	150,822
Office Space	Fox News Network, LLC	127,536	24	July 2020	June 2023	64,488
Transmission Tower	Ploener Radio Group, LLC	273,773	96	July 2020	June 2029	244,861
Office Space	Andrew J. Young Foundation, Inc	-	24	July 2021	June 2023	48,094
Total Leases		$ 4,138,922				$ 3,083,054

A schedule of future lease payments is shown below:

Year Ended June 30:	Receivable	Interest	Total
2023	$ 1,206,784	$ 78,343	$ 1,285,127
2024	1,142,697	40,945	1,183,642
2025	192,320	18,181	210,501
2026	159,873	13,285	173,158
2027	135,275	9,008	144,283
2028 - 2030	246,105	7,494	253,599
Total Lease Receivable	$ 3,083,054	$ 167,256	$ 3,250,310

NOTE 9: INTERFUND TRANSFERS

In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or requirements for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers of balances between funds are made to accomplish various provisions of law. Transfers between funds as of June 30, 2022 were as follows:

Transfers		
General Fund	Special Revenue Fund	Capital Projects Fund
$ 10,250,000	$ (10,250,000)	$ -
(823)	-	823
$ 10,249,177	$ (10,250,000)	$ 823

The total transfer of funds from the Foundation (Special Revenue Fund) to the Commission's general fund for fiscal year 2022 was $10,250,000. The Foundation assists the Commission in fulfilling its statutory responsibility for providing educational and public broadcasting to the citizens of the State of Georgia. Funds raised by the Foundation are almost entirely devoted to the benefit of the Commission. During fiscal year 2018, the Commission received FCC auction proceeds which were invested with the Foundation in order to fund our FCC repack or other approved projects. Any unfunded FCC repack expenditures during fiscal year 2022 were covered by a transfer of $823 from the Commission.

NOTE 10: LONG-TERM LIABILITIES

Long-term obligations at June 30 and changes for the fiscal year 2022 and 2021 are as follows:

Fiscal Year 2022	July 1, 2021	Increases	Decreases	June 30, 2022	Due Within One Year
Compensated Absences	$ 1,121,949	$ 815,545	$ 697,502	$ 1,239,992	$ 604,176
Leases	503,864	248,891	114,232	638,523	104,964
Net Other Post-Employment Benefit Obligation Liability	15,128,143	-	568,939	14,559,204	-
Net Pension Liability	13,086,046	-	5,958,959	7,127,087	-
	$ 29,840,002	$ 1,064,436	$ 7,339,632	$ 23,564,806	$ 709,140

Fiscal Year 2021	July 1, 2020 (Restated)	Increases	Decreases	June 30, 2021	Due Within One Year
Compensated Absences	$ 1,076,195	$ 675,811	$ 630,057	$ 1,121,949	$ 465,824
Leases	584,102	30,146	110,384	503,864	113,397
Net Other Post-Employment Benefit Obligation Liability	11,355,167	3,772,976	-	15,128,143	-
Net Pension Liability	12,950,315	135,731	-	13,086,046	-
	$ 25,965,779	$ 4,614,664	$ 740,441	$ 29,840,002	$ 579,221

NOTE 11: RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The State of Georgia utilizes self-insurance programs established by individual agreement, statute or administrative action, to provide property insurance covering fire and extended coverage and automobile insurance and to pay losses that might occur from such causes; liability insurance for employees against personal liability for damages arising out of performance of their duties; survivors’ benefits for eligible members of the Employees’ Retirement System; consolidating processing of unemployment compensation claims against State agencies and the payment of sums due to the Department of Labor; and workers’ compensation insurance coverage for employees of the State and for the receipt of benefits as prescribed by the workers’ compensation statutes of the State of Georgia. These self-insurance funds are accounted for as internal service funds of the State of Georgia where assets are set aside for claim settlements. The majority of the risk management programs are funded by assessments charged to participating organizations. A limited amount of commercial insurance is purchased by the self-insurance funds applicable to property, employee and automobile liability, fidelity and certain other risks to limit the exposure to catastrophic losses. Otherwise, the risk management programs service all claims against the State for injuries and property damage. Financial information relative to the self-insurance funds will be presented in the *State of Georgia Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2022.

In addition, the Commission has purchased a liability insurance policy for broadcasters and producers and another liability and crime policy for the Foundation’s Board of Directors.

NOTE 12: RETIREMENT PLANS

The Commission participates in various retirement plans administered by the State of Georgia under two major retirement systems: Employees’ Retirement System of Georgia (ERS) and Teachers Retirement System of Georgia (TRS). These two systems issue separate, publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained by visiting the following websites:

Employees’ Retirement System	www.ers.ga.gov
Teachers Retirement System	www.trsga.com

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

Employees’ Retirement System of Georgia (ERS)
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 www.ers.ga.gov/financials.

Benefits Provided

The ERS Plan supports two benefit tiers: New Plan and Georgia State Employees’ Pension and Savings Plan (GSEPS). 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 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 new plan and GSEPS are 1.25% of annual compensation. The Commission’s total required contribution rate for the year ended June 30, 2022 was 24.63% of annual covered payroll for new plan members and 21.57% for GSEPS members. The Commission’s contributions to ERS totaled $1,910,242 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 Commission reported a liability for its proportionate share of the net pension liability of $6,994,422. 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 Commission’s proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2021. At June 30, 2021, the Employer’s proportion was 0.299047%, which was a decrease of 0.001690% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Commission recognized pension expense of $1,049,362. At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	165,523	$	-
Changes of assumptions		2,014,195		-
Net difference between projected and actual earnings on pension plan investments		-		6,464,508
Changes in proportion and differences between Employer contributions and proportionate share of contributions		-		64,899
Employer contributions subsequent to the measurement date		1,910,242		-
Total	$	4,089,960	$	6,529,407

Commission contributions subsequent to the measurement date of $1,910,242 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 ended June 30:		
2023	$	(138,685)
2024	$	(913,272)
2025	$	(1,571,011)
2026	$	(1,726,721)

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:

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

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+) / Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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 pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

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	Target Allocation	Long-term expected real rate of return*
Fixed Income	30.00%	(1.50)%
Domestic large equities	46.40%	9.20%
Domestic small equities	1.10%	13.40%
International developed market equities	11.70%	9.20%
International emerging market equities	5.80%	10.40%
Alternatives	5.00%	10.60%
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 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 Commission’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	$ 12,817,116	$ 6,994,422	$ 2,070,039

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/financials.

Teachers Retirement System of Georgia (TRS)

Plan Description

All qualifying employees in educational service as defined in §47-3-60 of the O.C.G.A. 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 www.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 6.00% of their annual pay during fiscal year 2022. Employer’s contractually required contribution rate for the year ended June 30, 2021 was 19.81% of payroll. The Commission’s contributions to TRS were $39,628 for the year ended June 30, 2022.

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

At June 30, 2022, the Commission reported a liability for its proportionate share of the net pension liability of $132,665. 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 Commission's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2021. At June 30, 2021, the Commission's proportion was 0.001500%, which was a decrease of 0.000193% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Commission recognized pension expense of ($9,763). At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 31,658	$ -
Changes of assumptions	25,677	-
Net difference between projected and actual earnings on pension plan investments	-	194,051
Changes in proportion and differences between Employer contributions and proportionate share of contributions	22,698	58,127
Employer contributions subsequent to the measurement date	39,628	-
Total	$ 119,661	$ 252,178

The Commission contributions subsequent to the measurement date of $39,628 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended 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 ended June 30:		
2023	$	(27,518)
2024	$	(38,417)
2025	$	(52,592)
2026	$	(53,618)

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:

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 improvement 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.

The long-term expected rate of return on 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	**Target Allocation**	**Long-term expected real rate of return***
Fixed Income	30.00%	(0.80)%
Domestic large equities	46.30%	9.30%
Domestic small equities	1.20%	13.30%
International developed market equities	11.50%	9.30%
International emerging market equities	6.00%	11.30%
Alternatives	5.00%	10.60%
Total	100.00%	

* Rates shown are net of the 2.50% assumed rate of inflation

Discount Rate
The discount rate used to measure the total pension liability was 7.25%. 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 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 Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	**Current discount rate (7.25%)**	**1% Increase (8.25%)**
Employer's proportionate share of the net pension liability	$ 357,364	$ 132,665	$ (51,461)

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publicly available at www.trsga.com/publications.

GSEPS 401(k) Defined Contribution Component of ERS
In addition to the ERS defined benefit pension described above, Georgia State Employees' Pension and Savings Plan (GSEPS) members may also participate in the Peach State Reserves 401(k) defined contribution plan and receive an employer matching contribution. The 401(k) plan is administered by the System and was established by the Georgia Employee Benefit Plan Council in accordance with State law and Section 401(k) of the Internal Revenue Code (IRC). The GSEPS segment of the 401(k) plan was established by State law effective January 1, 2009. Plan provisions and contribution requirements specific to GSEPS can be amended by State law. Other general 401(k) plan provisions can be amended by the ERS Board of Trustees as required by changes in federal tax law or for administrative purposes. The State was not required to make significant contributions to the 401(k) plan prior to GSEPS because most members under other segments of the plan either were not State employees or were not eligible to receive an employer match on their contributions.

The GSEPS plan includes automatic enrollment in the 401(k) plan at a contribution rate of 5% of salary unless the participating member elects otherwise. The member may change such level of participation at any time. In addition, the member may make such additional contributions as he or she desires, subject to limitations imposed by federal law. The State will match 100% of the employee's initial 1% contribution and 50% of contribution percents two through five. Therefore, the State will match 3% of salary when an employee contributes at least 5% to the 401(k) plan. Employee contributions greater than 5% of salary do not receive any matching funds.

GSEPS employer contributions are subject to a vesting schedule, which determines eligibility to receive all or a portion of the employer contribution balance at the time of any distribution from the account after separation from all State service. Vesting is determined based on the following schedule:

Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Employee contributions and earnings thereon are 100% vested at all times. The 401(k) plan also allows participants to roll over amounts from other qualified plans to their respective account in the 401(k) plan on approval of the 401(k) plan administrator. Such rollovers are 100% vested at the time of transfer. Participant contributions are invested according to the participant's investment election. If the participant does not make an election, investments are automatically defaulted to a Lifecycle fund based on the participant's date of birth.

The participants may receive the value of their vested accounts upon attaining age 59.5, qualifying financial hardship, or 30 days after retirement or other termination of service (employer contribution balances are only eligible for distribution upon separation from service). Upon the death of a participant, his or her beneficiary shall be entitled to the vested value of his or her accounts. Employees who die while actively employed and eligible for 401(k) employer matching contributions become fully vested in employer contributions upon death. Distributions are made in installments or in a lump sum. For fiscal year 2022, employee GSEPS contributions totaled $463,019 and GPTC recognized expense of $94,269.

Georgia Defined Contribution Plan

Certain employees of the Commission participate in the Georgia Defined Contribution Plan (GDCP), which is a single-employer defined contribution plan established by the General Assembly of Georgia for the purpose of providing retirement allowances for public employees who are not members of a public retirement or pension system. GDCP is administered by the ERS Board of Trustees.

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

Member contributions are 7.5% of gross salary. There are no employer contributions. Contribution rates are established and may be amended by State statute. Earnings are credited to each member's account in a manner established by the Board. Upon termination of employment, the amount of the member's account is refundable upon request by the member. Total contributions by employees during the fiscal year ended June 30, 2022 were $170,941 which represents 7.5% of covered payroll. These contributions met the requirements of the plan.

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Commission participates in the following post-employment benefits plans:

Administered by the ERS System:
State Employees' Assurance Department (SEAD)
– For Retired and Vested Inactive (SEAD-OPEB)

Administered by the Georgia Public Telecommunications Commission (GPTC):
Georgia Public Telecommunications Commission Post-Employment Health Benefits Plan (GPTC OPEB Plan)

Separate financial reports that include the applicable financial statements and required supplementary information for the plans administered by ERS are publicly available and may be obtained from the offices that administer the plans.

State Employees' Assurance Department (SEAD)
Plan Description
SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provisions of term life insurance to retired and vested inactive members of ERS, the Georgia Judicial Retirement System (GJRS), and Legislative Retirement System (LRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefits plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefits Plans other than OPEB Plans.* The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits Provided
The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Contributions
Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2022.

OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At June 30, 2022, the Commission reported an asset of $1,124,831 for its proportionate share of the net SEAD-OPEB asset. The net SEAD-OPEB asset was measured as of June 30, 2021. The total SEAD-OPEB asset used to calculate the net SEAD-OPEB asset was based on an actuarial valuation as of June 30, 2020. An expected total SEAD-OPEB asset as of June 30, 2021 was determined using standard roll-forward techniques. The Commission's proportion of the net SEAD-OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan

during the fiscal year ended June 30, 2021. At June 30, 2021, the Commission's proportion was 0.182654%, which was a decrease of 0.016865% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Commission recognized SEAD-OPEB expense of ($174,180). At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to SEAD-OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Outflows of Resources
Differences between expected and actual experience	$	-	$	3,355
Changes of assumptions		-		35,066
Net difference between projected and actual earnings on pension plan investments		-		375,352
Changes in proportion and differences between Employer contributions and proportionate share of contributions		25,308		1,502
Total	$	25,308	$	415,275

There were no employer contributions subsequent to the measurement date. 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 ended June 30:		
2023	$	(109,192)
2024	$	(89,937)
2025	$	(91,166)
2026	$	(99,672)

Actuarial Assumptions

The total SEAD-OPEB 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:

Inflation	2.50%
Salary increases:	
ERS	3.00 – 6.75%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+) / Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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 pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

The target asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed Income	30.00%	(1.50)%
Domestic large equities	46.40%	9.20%
Domestic small equities	1.10%	13.40%
International developed market equities	11.70%	9.20%
International emerging market equities	5.80%	10.40%
Alternatives	5.00%	10.60%
Total	100.00%	

* Rates shown are net of inflation

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. 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 OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Commission's Proportionate Share of the Net SEAD-OPEB Asset to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.00%, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net OPEB asset	$ (884,670)	$ (1,124,831)	$ (1,320,930)

SEAD-OPEB Plan Fiduciary Net Position

Detailed information about the SEAD-OPEB plan's fiduciary net position is available in the separately issued ERS annual comprehensive financial report which is publicly available at www.ers.ga.gov/financials.

Georgia Public Telecommunications Commission Post-Employment Health Benefits Plan (GPTC OPEB Plan)

Plan Description

On November 1, 2013, the Commission began administering its own retiree health insurance plan. The GPTC OPEB Plan is a single-employer defined benefit post-retirement health care plan, or other post-employment benefits (OPEB Plan).

Effective July 1, 2018, the GPTC OPEB Plan implemented the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Plans Other Than Pensions,* which significantly changed the disclosures related to the plan. For the purposes of reporting under GASB Statement No. 75, the GPTC OPEB Plan is a single-employer defined benefit OPEB plan without a special funding situation where no assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. The information disclosed in this note is presented in accordance with this standard. GPTC's actuarial report was prepared as of June 30, 2021 (measurement date) based on data, assumptions and results of the biennial actuarial evaluation as of June 30, 2021 (valuation date). Total OPEB Liability (TOL) was calculated as of the measurement date June 30, 2021.

Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from the Employees' Retirement System of Georgia or the Teachers Retirement System of Georgia. Coverage starts immediately at retirement, provided the retiree makes proper premium payments. Prior to Medicare eligibility, retirees are required to contribute to the premium at the same rate as active employees. Effective January 1, 2020, upon reaching Medicare eligibility, coverage for retirees is provided via a Medicare Advantage plan and retirees must pay the premiums for that plan. Retiree and spousal coverage is provided for the lifetime of the participant. Other dependents may participate for the lifetime of the retiree as long as the retiree pays the required monthly contribution for dependent coverage and the dependent is eligible to continue coverage based on age requirements. The Commission as an authority of the State of Georgia has the authority to establish and amend benefit provisions.

The plan is currently funded on a pay-as-you-go basis. That is, annual employer costs of providing benefits will be financed in the same year as claims occur, with no significant assets accumulating as would occur in an advance funding strategy. The contribution requirements of plan members are established and may be amended by the Commission. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. Prior to Medicare eligibility, plans offered include a Health Reimbursement Account (HRA) and High Deductible Health Plan (HDHP). As of January 1, 2021, retirees are required to pay 11% of the premium through their required contributions.

The following schedule reflects membership for the GPTC-OPEB Plan as of June 30, 2021 measurement date.

Inactive Members or Beneficiaries Currently Receiving Benefits	18
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Members	103
Total Membership	121

Total OPEB Liability
GPTC's total OPEB liability of $14,559,204 was measured as of June 30, 2021, and as determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions
The total OPEB liability at June 30, 2021 is based on the June 30, 2021 actuarial valuation with actuarial assumptions and methods used in its determination. Significant assumptions included by the actuary include:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary Increases, including Wage Inflation	3.00% - 6.75%
Municipal Bond Index Rate	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Health Care Cost Trends	
Pre-Medicare	6.50% for 2021 decreasing to an ultimate rate of 4.50% by 2029
Medicare	5.00% for 2021 decreasing to an ultimate rate of 4.50% by 2023

The discount rate used to measure the total OPEB liability was based on Bond Buyer 20-year General Obligation Bond Index published on the last Thursday of June by the Bond Buyer (www.bondbuyer.com).

Pre-retirement mortality rates were based on the Pub-2010 General Employee table, with no adjustments, projected generationally with the MP-2019 scale. Post-retirement mortality rates were based on the Pub-2010 family of mortality tables, with adjustments, projected generationally with the MP-2019 scale. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of actuarial experience study for the period July 1, 2014 through June 30, 2019, adopted by the Board of Trustees of the Employees' Retirement System of Georgia on December 17, 2020.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase were based on the most recent experience study adopted by the board.

The remaining actuarial assumptions (e.g. initial per capital costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Changes in the Total GPTC OPEB Liability

The changes in the components of the OPEB liability for the year ended June 30, 2022, were as follows:

Total OPEB Liability Beginning of the Year	$	15,128,143
Changes for the Year:		
Service Cost as the end of the year*		913,875
Interest on TOL and cash flows		331,440
Difference between expected and actual experience		(3,498,136)
Changes of assumptions or other inputs		1,947,071
Net benefit payments and implicit subsidy credit**		(263,189)
Net Changes		(568,939)
Total OPEB Liability End of the Year	$	14,559,204

*The service cost includes interest for the year

**The net benefit payments shown above include $43,300 due to the implicit subsidy.

Since the prior measurement date, there were no changes in benefit terms or changes in assumptions other than a change in the municipal bond index rate from 2.21% as of the prior measurement date to 2.16% as of the measurement date. Health care cost trend rates and inflation were used as of the measurement date.

Sensitivity of the Total GPTC OPEB Liability to Changes in the Health Care Cost Trend Rate
The following presents the total OPEB liability of the plan, calculated using the health care cost trend rates, as well as what the plan's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Health Care Cost Trent Rate Sensitivity

	1% Decrease	Current	1% Increase
Total OPEB Liability	$ 11,829,677	$ 14,559,204	$ 18,224,277

Sensitivity of the Total GPTC OPEB Liability to Changes in the Discount Rate
The following exhibit presents the total OPEB liability of the plan, calculated using the discount rate of 2.16%, as well as what the plan's total OPEB 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.

Discount Rate Sensitivity

	1% Decrease (1.16%)	Current (2.16%)	1% Increase (3.16%)
Total OPEB Liability	$ 17,882,755	$ 14,559,204	$ 12,036,125

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
The following table provides a summary of the deferred outflows of resources and deferred inflows of resources as the reporting date June 30, 2022.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 32,577	$ 3,384,804
Changes of assumptions or other inputs	4,061,647	984,870
Benefit Payments subsequent to the measurement date	200,787	-
Total	$ 4,295,011	$ 4,369,674

Benefit payments paid subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to GPTC-OPEB benefits will be recognized in OPEB Expense as follows:

Year Ended June 30:		
2023	$	(278,365)
2024	$	(174,835)
2025	$	68,242
2026	$	203,272
2027	$	18,909
Thereafter	$	(112,673)

The calculation of the OPEB expense for the reporting year ended June 30, 2022 is shown in the following table:

Service cost at end of year*	$	913,875
Interest on the total OPEB liability		331,440
Expensed portion of current-period difference beween expected and actual experience in the total OPEB liability		(540,670)
Expensed portion of current-period changes of assumptions or other inputs		300,938
Administrative costs		6,000
Recognition of beginning deferred outflows of resources as OPEB expense		560,434
Recognition of beginning deferred inflows of resources as OPEB expense		(599,067)
OPEB Expense	$	972,950

*the service cost includes interest for the year

NOTE 14: NONMONETARY TRANSACTIONS

During the years ended June 30, 2022 and June 30, 2021 the Commission received in-kind contributions from the following institutions that housed local Georgia Public Broadcasting radio operations throughout the state. The in-kind contributions are for administrative, communication, facilities and departmental support. These amounts are not reflected on the Commission's financial statements.

Institution	GPB Facility	In-Kind Contribution 2022	In-Kind Contribution 2021
Georgia Southern University (Armstrong Campus)	WSVH-FM	$ 55,105	$ 57,424
Mercer University	WMUM-FM	60,844	59,206
University of Georgia	WUGA-FM	1,101,926	1,016,005
Total In-Kind Contributions		$ 1,217,875	$ 1,132,635

NOTE 15: CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

Litigation, claims and assessments filed against the Commission, 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 Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2022.

NOTE 16: CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Spectrum Auction and Repacking

In order to fulfill the increasing demand for wireless broadband access, the Federal Communications Commission (FCC) proposed the idea of buying a portion of broadcast spectrum used by television stations and selling it to wireless broadband companies. This was proposed by the FCC under a National Broadband Plan that was authorized by Congress in 2012. There are three interrelated components to the process:

- Reverse auction – a voluntary process where broadcasters decide whether to sell their spectrum rights to the FCC bidding downward against each other to give up their spectrum
- Forward auction – at the same time as the reverse auction, wireless broadband providers bid upward to buy that spectrum
- Repacking – a mandatory nationwide process where all broadcasters that stay on the air may be required to move to new channels

The FCC began the process of inviting stations to enter the reverse auction at the end of 2015 and the actual auction started on March 29, 2016. The Commission entered two stations into the reverse auction, WJSP TV (Columbus) and WNGH TV (Rome). Bidding in the auction closed on March 30, 2017, repurposing 84 megahertz of spectrum nationwide. The auction yielded $19.8 billion in revenue for the federal government, including $10.05 billion for winning broadcast bidders and more than $7.0 billion to be deposited into the U.S. Treasury for deficit reduction. The Commission’s two winning stations with compensation were WJSP TV ($7,267,147) and WNGH TV ($11,949,966), a total of $19,217,113. This revenue was received and recorded in fiscal year 2019. A portion of the proceeds were expended on repacking these TV stations.

On April 13, 2017 the FCC released a public notice formally closing the auction and beginning the repacking component. This is a 39-month period during which time some TV stations will need to transition to new channel assignments. As a result of the auction, the Commission must repack 7 of its 9 TV stations and 1 FM station within the following timeline and costs. (Costs are estimated and subject to change).

Phase	**Station**		**Estimated Costs**	**Testing Period**	**Phase Completion (1)**
1	WJSP	$	2,787,667	9/14/2018	11/30/2018
2	N/A		-	12/1/2018	4/12/2019
3	N/A		-	4/13/2019	6/21/2019
4	N/A		-	6/22/2019	8/2/2019
5	WNGH		1,518,672	8/3/2019	9/6/2019
6	N/A		-	9/7/2019	10/18/2019
7	N/A		-	10/19/2019	1/17/2020
8	N/A		-	1/18/2020	3/13/2020
9	WMUM-TV		1,603,044	3/14/2020	5/1/2020
9	WVAN		368,823	3/14/2020	5/1/2020
9	WXGA		371,697	3/14/2020	5/1/2020
10	WACS		1,461,226	5/2/2020	7/3/2020
10	WGTV		1,510,119	5/2/2020	7/3/2020
10	WMUM-FM		146,841	5/2/2020	7/3/2020
		$	9,768,089		

(1) Completion dates are set by FCC and have not been updated.

Repacking includes modifying our facilities to transmit on a different frequency and can include tower modifications, antennas, transmitters, measurement analysis and engineering work, for example. The Commission used the FCC proceeds from the reverse auction to cover all repacking costs associated with WJSP TV and WNGH TV. The other 6 stations were fully reimbursed by the FCC for items FCC approved. The Commission used its auction proceeds to cover any unfunded reimbursement from the FCC. At the time of publication, all stations were repacked and the FCC had completed final close out letters for all repacked sites.

REQUIRED SUPPLEMENTARY INFORMATION

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
GPTC's POST-EMPLOYMENT HEALTH BENEFIT PLAN
JUNE 30, 2022

SCHEDULE "1"

	2022	2021	2020	2019	2018
Total OPEB Liability (measurement period ending)					
Service Cost at end of year	$ 913,875	$ 635,592	$ 881,442	$ 968,119	$ 1,082,723
Interest	331,440	393,317	601,555	557,453	483,452
Changes in benefit terms	-	-	(5,405,939)	-	-
Difference between expected and actual experience	(3,498,136)	21,748	(780,934)	44,189	(12,296)
Changes of assumptions or other inputs	1,947,071	2,959,429	656,956	(1,419,412)	(1,742,436)
Benefit payments and implicit subsidy credit	(263,189)	(237,110)	(281,285)	(249,364)	(179,824)
Net changes in Total OPEB Liability	(568,939)	3,772,976	(4,328,205)	(99,015)	(368,381)
Total OPEB Liability - beginning	15,128,143	11,355,167	15,683,372	15,782,387	16,150,768
Total OPEB Liability - ending	$ 14,559,204	$ 15,128,143	$ 11,355,167	$ 15,683,372	$ 15,782,387
Commission's covered payroll	$ 7,716,670	$ 8,536,794	$ 8,536,794	$ 7,639,554	$ 7,639,554
Total OPEB Liability as a percentage of covered payroll	188.67%	177.21%	133.01%	205.29%	206.59%

Note: No assets are accumulated in a trust that meet the criteria to pay related benefits.

Changes in assumptions: Administrative costs are included in OPEB expense. Discount rate 2.16% per annum, compounded annually. Health care cost trend rate assumptions:

	Pre-65 Retiree Claims Trend	Post-65 Retiree Claims Trend
2021	6.50%	5.00%
2022	6.25%	4.75%
2023	6.00%	4.50%
2024	5.75%	4.50%
2025	5.50%	4.50%
2026	5.25%	4.50%
2027	5.00%	4.50%
2028	4.75%	4.50%
2029 and beyond	4.50%	4.50%

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

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET SEAD-OPEB ASSET
EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 2022

SCHEDULE "2"

	2022	2021	2020	2019	2018
Employer's proportion of the net OPEB asset	0.182654%	0.199519%	0.195157%	0.186089%	0.207716%
Employer's proportionate share of the net OPEB asset	$ 1,124,831	$ 566,670	$ 551,836	$ 503,642	$ 539,864
Employer's covered payroll	$ 1,979,965	$ 2,377,364	$ 2,491,840	$ 2,576,156	$ 3,024,890
Employer's proportionate share of the net OPEB asset as a percentage of its covered payroll	56.81%	23.84%	22.15%	19.55%	17.85%
Plan fiduciary net position as a percentage of the total OPEB asset	164.76%	129.20%	129.73%	129.46%	130.17%

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

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
SCHEDULE OF CONTRIBUTIONS SEAD-OPEB
EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 2022

	2022	2021	2020	2019	2018
Contractually required contribution *	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,970,808	$ 1,979,965	$ 2,377,364	$ 2,491,840	$ 2,576,156
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

* Employer contributions are not currently required for the SEAD-OPEB plan.

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.299047%	0.300737%	0.303758%	0.288566%	0.316308%	0.301857%	0.277984%	0.255447%
Employer's proportionate share of the net pension liability	$ 6,994,422	$ 12,675,935	$ 12,534,668	$ 11,863,043	$ 12,846,328	$ 14,279,104	$ 11,262,238	$ 9,580,841
Employer's covered payroll	$ 7,842,215	$ 8,308,833	$ 8,369,318	$ 8,025,859	$ 8,409,681	$ 7,571,004	$ 6,887,434	$ 6,252,863
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	89.19%	152.56%	149.77%	147.81%	152.76%	188.60%	163.52%	153.22%
Plan fiduciary net position as a percentage of the total pension liability	87.62%	76.21%	76.74%	76.68%	76.33%	72.34%	76.20%	77.99%

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA
JUNE 30, 2022

SCHEDULE "5"

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.001500%	0.001693%	0.001933%	0.001837%	0.001419%	0.001938%	0.001538%	0.001603%
Employer's proportionate share of the net pension liability	$ 132,665	$ 410,111	$ 415,647	$ 340,987	$ 263,726	$ 399,831	$ 234,145	$ 202,518
Employer's covered payroll	$ 195,138	$ 218,299	$ 235,960	$ 218,815	$ 165,129	$ 212,600	$ 162,373	$ 163,542
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	67.99%	187.87%	176.15%	155.83%	159.71%	188.07%	144.20%	123.83%
Plan fiduciary net position as a percentage of the total pension liability	92.03%	77.01%	78.56%	80.27%	79.33%	76.06%	81.44%	84.03%

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

SCHEDULE "6"

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSIONS
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,910,242	$ 1,767,727	$ 1,869,829	$ 1,897,360	$ 1,826,103	$ 1,924,905	$ 1,734,997	$ 1,395,723	$ 1,061,780	$ 869,671
Contributions in relation to the contractually required contribution	1,910,242	1,767,727	1,869,829	1,897,360	1,826,103	1,924,905	1,734,997	1,395,723	1,061,780	869,671
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 8,393,564	$ 7,842,215	$ 8,308,833	$ 8,369,318	$ 8,025,859	$ 8,409,681	$ 7,571,004	$ 6,887,434	$ 6,252,863	$ 6,419,534
Contributions as a percentage of covered payroll	22.76%	22.35%	22.50%	22.67%	22.75%	22.89%	22.92%	20.26%	16.98%	13.55%

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA
JUNE 30, 2022

SCHEDULE "7"

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 39,628	$ 37,193	$ 46,149	$ 49,316	$ 36,783	$ 23,258	$ 30,338	$ 21,352	$ 20,083	$ 18,444
Contributions in relation to the contractually required contribution	39,628	37,193	46,149	49,316	36,783	23,258	30,338	21,352	20,083	18,444
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 200,038	$ 195,138	$ 218,299	$ 235,960	$ 218,815	$ 165,129	$ 212,600	$ 162,373	$ 163,542	$ 161,652
Contributions as a percentage of covered payroll	19.81%	19.06%	21.14%	20.90%	16.81%	14.08%	14.27%	13.15%	12.28%	11.41%

EMPLOYEES' 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 December 17, 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 the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on June 18, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

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 rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes are reflected in the calculation of the June 30, 2021 total pension liability.

TEACHERS RETIREMENT SYSTEM OF GEORGIA

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 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.

SEAD-OPEB Employer

Changes of benefit terms: There have been no changes in benefit terms.

Changes of assumptions: On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Systems. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%.

Subsequent to the June 30, 2018 measurement date, the SEAD board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2018 actuarial valuation. In addition, based on the SEAD Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2019 measurement date, and remained unchanged for June 30, 2020.

SUPPLEMENTARY INFORMATION

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2022

SCHEDULE "9"

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance
Funds Available				
Revenues				
Other Revenues Retained	$ 34,131,646	$ 40,416,166	$ 39,053,562	$ (1,362,604)
Expenditures				
Culture And Education	$ 34,131,646	$ 40,416,166	39,566,845	849,321
Excess of Funds Available over Expenditures			$ (513,283)	$ (513,283)

The budget for the Commission is adopted on a basis consistent with accounting practices prescribed or permitted by statutes and regulations of the State of Georgia, which is a basis other than prescribed by Generally Accepted Accounting Principles (GAAP). This budget is considered to be an appropriated budget. The following is an explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis) "Funds available"	$ 39,053,562
Differences - Budget to GAAP:	
For budget purposes, certain adjustments to prior year revenue/receivable items are considered fund balance adjustments rather than revenue items for financial reporting purposes.	(1,149)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund and Special Revenue Funds (Exhibit "D")	$ 39,052,413
Uses/outflows for resources	
Actual amounts (budgetary basis) "expenditures"	$ 39,566,845
Differences - Budget to GAAP:	
For budget purposes, certain adjustments to prior year expenditure/payable items and inventory adjustments are considered fund balance adjustments rather than expenditure items for financial reporting purposes.	(56,172)
For budget purposes, encumbrances are reported as expenditures in the year purchase orders are issued but are expensed when invoiced for financial reporting purposes.	(2,452,800)
For budget purposes, expenditures in the Foundation are non-budgetary.	118,769
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund and Special Revenue Funds (Exhibit "D")	$ 37,176,642

GEORGIA PUBLIC TELECOMMUNICATIONS COMMISSION
STATEMENT OF ACTIVITIES
BY CORPORATION FOR PUBLIC BROADCASTING GRANTEE
FOR FISCAL YEAR ENDED JUNE 30, 2022
(with summarized comparative information for the year ended June 30, 2021)

SCHEDULE "10"

	GPB TV	WJSP-FM	WUGA-FM	Total 2022	Total 2021
REVENUES					
Intergovernmental - Federal					
CARES Act	$ -	$ -	$ -	$ -	$ 168,000
U.S. Department of Education	22,029	-	-	22,029	38,002
Intergovernmental - Other					
State Appropriations through the Board of Regents of the University System of Georgia	14,308,424	3,588,677	26,003	17,923,104	13,837,024
Corporation for Public Broadcasting - Grants	3,272,062	395,632	147,163	3,814,857	3,634,892
Federal Communications Commission - Proceeds	521,853	290	-	522,143	1,296,092
GSFIC	182,950	7,584	-	190,534	375,867
Public Broadcasting Service - Grant	-	-	-	-	1,181,530
Contributions and Donations					
Foundation for Public Broadcasting in Georgia, Inc.	8,261,888	2,684,125	284,487	11,230,500	10,224,939
Interest and Other Investment Income	387,053	80,188	-	467,241	277,962
Rents and Royalties	2,910,654	150	-	2,910,804	3,133,271
Sales and Services	577,125	-	-	577,125	329,457
Sponsorship	2,307,889	1,015,444	151,733	3,475,066	3,012,742
Gain on Investments	(1,386,550)	(391,078)	-	(1,777,628)	2,422,166
Miscellaneous	378,000	31,315	-	409,315	840,197
Transfers and Donated Assets	(395,870)	-	-	(395,870)	(3,043,213)
Total Revenues and Transfers	31,347,507	7,412,327	609,386	39,369,220	37,728,928
EXPENDITURES					
Programming and Content	10,924,385	3,689,586	168,238	14,782,209	13,930,516
Operations and Content Delivery	6,567,416	1,790,159	29,101	8,386,676	9,344,418
Facilities	1,808,126	602,709	-	2,410,835	2,301,014
Marketing and Communications	1,618,171	539,390	-	2,157,561	1,705,261
Fundraising	2,573,184	857,728	158,722	3,589,634	3,548,879
Sponsorship	818,547	332,540	51,078	1,202,165	1,020,900
Studio Rentals and Client Services	1,273,557	-	-	1,273,557	799,584
Administration	2,482,797	827,599	-	3,310,396	2,772,110
Total Expenditures and Governmental Activities	28,066,183	8,639,711	407,139	37,113,033	35,422,682
Change in Net Position	3,281,324	(1,227,384)	202,247	2,256,187	2,306,246
Net Position - Beginning as Originally Reported	14,697,977	(14,808,889)	715,010	604,098	(1,702,148)
Change in Prior Year Net Position	1,837,516	612,505	-	2,450,021	-
Net Position - Beginning of Year Restated	16,535,492	(14,196,384)	715,010	3,054,119	(1,702,148)
Net Position - Ending	$ 19,816,816	$ (15,423,768)	$ 917,257	$ 5,310,306	$ 604,098
Additional Information:					
In-Kind Donations	$ -	$ 115,949	$ 1,101,926	$ 1,217,875	$ 1,132,635

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CORPORATION FOR PUBIC BROADCASTING

The Corporation for Public Broadcasting (CPB) is the steward of the federal government's investment in public media and supports the operations of nearly 1,500 locally owned and operated public television and radio stations. CPB is a private nonprofit corporation created and funded by the federal government. CPB does not produce or distribute programs, nor does it own, control or operate any broadcast stations.

CPB distributes community service grants (CSGs) to qualifying, noncommercial public television and radio stations that provide significant public service programming to their communities. CSGs are used to augment the resources of public broadcasting entities. In order to maintain any CPB funding, GPTC must meet a variety of legal, managerial, staffing, mandatory reporting and operational criteria on an annual basis.

GPTC is currently eligible to receive funding for three CPB grantees: TV, WJSP-FM and WUGA-FM. Each grantee is required to file an Annual Financial Report (AFR) that reflects the revenue and expense activity attributable to the operations of GPTC. CPB's Financial Reporting Guidelines for Preparing the AFR require that all grantees include a supplemental schedule that shows the discrete information for each grantee that is consolidated in the audit.

SECTION II

INTERNAL CONTROL AND COMPLIANCE REPORT

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Directors of the Georgia Public Telecommunications Commission
and
Ms. Teya Ryan, Chief Executive Officer

We have audited the financial statements of the governmental activities and each major fund of the Georgia Public Telecommunications Commission (Commission), a component unit of the State of Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated February 6, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* in finding FS 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the finding identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,

Greg S. Griffin

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State Auditor

February 6, 2023

SECTION III

FINDINGS AND QUESTIONED COST

FINANCIAL STATEMENT FINDINGS

FS 2022-01 Control over Capital Assets

Internal Control Impact: Significant Deficiency
Compliance Impact: None
Repeat of Prior Year Finding: FS-977-21-01

The Georgia Public Telecommunications Commission (GPTC) is not always properly managing and accounting for capital assets to ensure capital asset records are properly maintained and accurate.

Background Information:
GPTC capitalizes equipment when the cost of individual items exceeds $5,000 and the estimated useful life exceeds two years. There is $67,674,003 recorded on the financial statements as capital assets, other property and equipment at June 30, 2022. Almost 95% of these items are fully depreciated. As part of our fiscal year 2022 audit, we tested other property and equipment to verify existence. GPTC was unable to locate a significant number of items selected for testing.

Criteria:
GPTC management is responsible for designing and maintaining internal controls that provide reasonable assurance that capital asset inventory records are properly maintained and accurate. The State Accounting Office's (SAO) policy manual outlines policies and procedures related to fixed assets accounting, which includes specific requirements related to physical inventory, useful life, additions, disposal management and surplus property management. That policy provides that state of Georgia organizations must ensure that a physical inventory of capital assets is conducted at least every two years to validate the existence of capital assets reported in the financial statements.

Condition:
Our review of capital assets revealed the following:

- GPTC started a new inventory process, however, they did not perform a complete physical inventory of capital assets as required.
- Any item with a value greater than $324,781 was considered to be an individually significant item for testing purposes. A test of all thirty-six individually significant items with values totaling $23,535,009 for fully depreciated other property and equipment revealed that four items with values totaling $2,727,073 could not be located resulting in a likely overstatement of other property and equipment and accumulated depreciation.
- For the remaining population, a sample of fifty fully depreciated other property and equipment items revealed that twenty-three items could not be located resulting in a $778,765 likely overstatement of other property and equipment and accumulated depreciation. When the 36.7% sample error rate was projected to the total population, it resulted in a $12,372,415 projected overstatement.
- Nine items totaling $2,671,545 of other property and equipment additions were capitalized in the current year, purchased in a prior year, which resulted in a restatement.

FINANCIAL STATEMENT FINDINGS

Cause:
Per discussion with management, GPTC had not implemented adequate internal controls that included full capital asset physical inventory procedures of all areas within headquarters and at each field site. In addition, departments do not consistently notify the finance department to update or remove assets in the financial system, which can be attributed to overall staff turnover and a lack of communication and coordination.

Effect:
GPTC is not complying with SAO policies. Without the proper controls over capital assets, including maintaining a complete and accurate capital asset listing there is a risk that the financial statements for internal and external reporting do not accurately reflect the true value of GPTC's capital assets.

Recommendation:
GPTC management should improve capital asset policies and procedures and implement additional procedures over physical inventory, asset removal and useful life. GPTC should ensure that assets are capitalized properly, disposed of, and removed from the financial system timely, and that useful lives are being appropriately evaluated and changed. GPTC should also review SAO capital asset policies and design and implement procedures to conduct a physical inventory of capital assets other property and equipment, review capital asset records for accuracy and make appropriate adjustments as necessary every two years.

Views of Responsible Officials:
We concur with this finding.

Auditor's Concluding Remarks:

SECTION IV

MANAGEMENT'S CORRECTIVE ACTION

CORRECTIVE ACTION PLANS – FINANCIALS STATEMENT FINDINGS

FS-2022-001 Controls Over Capital Assets

Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Repeat of Prior Year Finding	FS-977-21-01

Description:
GPTC capitalizes equipment when the cost of individual items exceeds $5,000 and the estimated useful life exceeds two years. There is $67,674,003 recorded on the financial statements as capital assets, other property and equipment at June 30, 2022. Almost 95% of these items are fully depreciated. As part of our fiscal year 2022 audit, we tested other property and equipment to verify existence. GPTC was unable to locate a significant number of items selected for testing.

Corrective Action Plans:
The GPTC Finance department is responsible for asset management and continues to address the deficiency as follows:

1. During fiscal year 2022, GPTC's asset management policy was revised and senior leadership and custodians of GPTC assets received specific guidance on the asset management process. For example, how assets are acquired and properly disposed of in accordance with GPTC and State Accounting Office policies.
2. New staff are trained on the asset process, as needed.
3. GPTC began a complete inventory of all GPTC assets across the state of Georgia during fiscal year 2022. As our assets are located at headquarters and across the state, we plan to complete a full inventory every 2-3 years with a complete inventory of all field sites one year and headquarters the next.
4. Immediate action involves completing the inventory started during fiscal year 2022 of headquarters assets and the remaining field locations by the end of fiscal year 2023. This will give GPTC a true baseline for future asset acquisitions, disposals or surplus items, and inventory.
5. Asset management policies and procedures will be reviewed and shared with custodians annually.

Estimated Completion Date: June 30, 2023
Contact Person: Elizabeth Laprade, Chief Financial Officer
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Corrective Action Plan approved by:

Entity Head: Teya Ryan, CEO

Signature: Teya Ryan