

DALTON STATE COLLEGE

Annual Financial Report
Fiscal Year 2024

DALTON STATE COLLEGE
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2024

Introductory Section	
Letter of Transmittal	4
Financial Section	
Independent Auditor's Report	5
Management's Discussion and Analysis	8
Financial Statements (GAAP Basis)	
Statement of Net Position	22
Statement of Revenues, Expenses, and Changes in Net Position	24
Statement of Cash Flows	26
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to the Financial Statements	30
Required Supplementary Information	
Schedule of Contributions for Defined Benefit Pension Plan	59
Schedule of Proportionate Share of Net Pension Liability	60
Notes to the Required Supplemental Information for Pension Plans	61
Schedule of Contributions for OPEB Plan	62
Schedule of Proportionate Share of the Net OPEB Liability	63
Notes to the Required Supplemental Information for OPEB Plan	64
Supplementary Information	
Balance Sheet (Non-GAAP Basis)	66
Statement of Funds Available and Expenditures Compared to Budget (Non-GAAP Basis)	67
Statement of Changes to Fund Balance by Program and Funding Source (Non-GAAP Basis)	69

Introductory Section

Letter of Transmittal

August 1, 2024

To: President
Dalton State College

The Annual Financial Report (AFR) for the Dalton State College includes the financial statements for the year ended June 30, 2024, as well as other useful information to help ensure the Institution's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the Institution's financial position as a result of operations for the fiscal year ended June 30, 2024.

Dalton State College management is responsible for the accuracy of this information and for the completeness and fairness of its presentation, including all disclosures. We believe the information is accurate and fairly presents the Institute's financial position, revenues, expenses and other changes in net position.

The College's financial records are included in the University System of Georgia's financial report, which is audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. The University System of Georgia's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the college's management. The audit of the College's financial assistance programs is performed by the Board of Regents Internal Audit staff.

Sincerely,

Mr. David Lesicko
Vice President for Fiscal Affairs



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Regents of the
University System of Georgia
and
Dr. John Fuchko III, President
Dalton State College

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of Dalton State College, as of and for the year ended June 30, 2024, and the related notes (financial statements), as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

Required Supplementary Information

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

Other Matters

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

Included in a separate Report on Review is a section on findings and other items for any matters that came to our attention during our engagement.

Additionally, we have performed certain procedures at Dalton State College to support our audit of the basic financial statements of the State of Georgia presented in the State of Georgia Annual Comprehensive Financial Report and the issuance of a State of Georgia Single Audit Report pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2024.

This report is intended solely for the information and use of the management of Dalton State College, and members of the Board of Regents of the University System of Georgia and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,



Greg S. Griffin
State Auditor

November 4, 2024

Financial Section

DALTON STATE COLLEGE
Management’s Discussion and Analysis

Introduction

Dalton State College (College) is one of the 26 institutions of higher education of the University System of Georgia. The College, located in Dalton, Georgia, was founded in 1963 and has become known for its transfer, health-related and business programs. The College offers some certificates and, associate and baccalaureate degrees. This wide range of educational opportunities attracts a highly qualified faculty and a growing student body. Enrollment figures for the college are shown in the comparison numbers that follow:

	STUDENT HEADCOUNT	STUDENT FTE
FY 2024	4,908	4,090
FY 2023	4,535	3,879
FY 2022	4,535	3,839

Overview of the Financial Statements and Financial Analysis

The College is pleased to present its financial statements for fiscal year 2024. The emphasis of discussions about these statements will be on current year data. There are three business-type activity financial statements presented: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. This discussion and analysis of the College’s financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2024 and fiscal year 2023.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2024 and includes all assets, liabilities, both current and noncurrent, and deferred outflows and inflows. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College and how much the College owes vendors. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one indicator of the College’s financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. An increase or decrease in net position provides an indicator of the improvement or decline of the College’s financial situation.

Net Position is divided into three major categories. The first category, net investment in capital assets, provides the College’s equity in property, plant and equipment owned by the College. The next category is restricted, which is divided into two categories, non-expendable and expendable. The corpus of non-expendable, restricted resources is available only for investment purposes. Expendable, restricted resources are available for expenditure by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted resources, which are available to the College for any lawful purpose.

The following table summarizes the College's assets, deferred outflows, liabilities, deferred inflows, and net position as of June 30, 2024 and June 30, 2023.

CONDENSED STATEMENT OF NET POSITION	June 30, 2024	June 30, 2023	Increase/(Decrease)	% Change
ASSETS				
Current Assets	\$ 18,451,870	\$ 22,631,801	\$ (4,179,931.00)	(18.47)%
Capital Assets, Net	65,118,743	53,018,520	12,100,223	22.82 %
Intangible Right-to-Use Assets, Net	769,298	822,790	\$(53,492)	(6.50)%
Other Assets	46,314	46,314	—	— %
TOTAL ASSETS	84,386,225	76,519,425	7,866,800	10.28 %
DEFERRED OUTFLOWS				
	11,109,227	17,329,580	(6,220,353)	(35.89)%
LIABILITIES				
Current Liabilities	3,378,059	2,767,068	610,991	22.08 %
Non-Current Liabilities	49,833,019	60,470,632	(10,637,613)	(17.59)%
TOTAL LIABILITIES	53,211,078	63,237,700	(10,026,622)	(15.86)%
DEFERRED INFLOWS				
	16,153,615	13,487,197	2,666,418	19.77 %
NET POSITION				
Net Investment in Capital Assets	59,702,138	47,405,251	12,296,887	25.94 %
Unrestricted	(33,571,379)	(30,281,143)	(3,290,236)	(10.87)%
TOTAL NET POSITION	\$ 26,130,759	\$ 17,124,108	\$ 9,006,651	52.60 %

Assets and Deferred Outflows

Total assets changed by \$7,866,800 due to an increase of \$12,100,223 in capital assets, net of accumulated depreciation netted with a decrease of \$4,179,931 in current assets and a decrease of \$53,492 in intangible right-to-use assets, net of accumulated amortization when compared to fiscal year 2023. The capital assets increase was mostly attributed to the transfer of the GSFIC managed project J347 Bandy Gym for \$10,908,449, along with, the addition of the Gignilliat Hall Terrace for \$281,194, and the addition of the parking lot at Roadrunner Place for \$1,178,333. The decrease in current assets was due to a reduction in Accounts Receivable for federal financial assistance and other receivables totaling \$3,066,228. See Note 3 for additional accounts receivable details.

Deferred outflows of resources changed by \$(6,220,353), due to changes in the College's proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia, Employees' Retirement System of Georgia, and the OPEB plan.

Liabilities and Deferred Inflows

Total liabilities changed by \$(10,026,622) which was primarily due to the decrease in Net Pension Liability in the amount of \$3,423,495 netted with a decrease in Other Post Employment Benefit Liability of \$6,954,269. The changes in pensions was due to a change in the actuarial estimates when compared to prior year estimates. The change in Other Post Employment Benefit Liability is related to actuary calculation differences year over year.

Deferred inflows of resources changed by \$2,666,418 which was primarily due to the College's proportionate share of the actuarially determined deferred gains on the OPEB plan in the amount of \$2,617,541 and the loss on the Defined Benefit Plan in the amount of \$ 74,966.

Net Position

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded an increase in net position of \$9,006,651. The change in net position is primarily in the category of Net Investment in Capital Assets in the amount of \$12,296,887.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues received and expenses incurred during the fiscal year. Activities are reported as either operating or non-operating. Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the legislature to the College without the legislature directly receiving commensurate goods and services for those revenues. State capital grants and gifts and other capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "Income (loss) before other revenues, expenses, gains or losses".

Some highlights of the information presented on this statement are as follows:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2024	June 30, 2023	Increase/(De- crease)	% Change
Operating Revenue	\$ 13,909,136	\$ 13,966,262	\$ (57,126.00)	(0.41)%
Operating Expense	51,198,945	53,142,630	(1,943,685)	(3.66)%
Operating Income/Loss	(37,289,809)	(39,176,368)	1,886,559	4.82 %
Non-Operating Revenue and Expense	35,825,703	45,523,693	(9,697,990)	(21.30)%
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	(1,464,106)	6,347,325	(7,811,431)	123.07 %
Other Revenues, Expenses, Gains, Losses and Special Items	10,470,757	133,865	10,336,892	7,721.88 %
Change in Net Position	9,006,651	6,481,190	2,525,461	38.97 %
Net Position at beginning of year	17,124,108	10,642,918	6,481,190	60.90 %
Net Position at End of Year	\$ 26,130,759	\$ 17,124,108	\$ 9,006,651	52.60 %

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year as represented by an increase in Change in Net Position for fiscal year 2024.

Revenues

The total revenues were \$60,205,596, an increase of \$581,776 in fiscal year 2024 when compared to fiscal year 2023. Operating revenues decreased \$57,126 mostly due to a decrease in tuition and fees of \$1,224,884 related to net of sponsored and unsponsored scholarships netted with an increase of \$628,591 in operating grants and contracts, an increase of \$1,745 in sales and services, an increase of \$492,085 in Auxiliary Enterprises, which include residence halls, bookstore, food services, parking/transportation, health services, intercollegiate athletics, and other organizations, and an increase of \$46,781 in other operating revenues mainly related to the collection of fines and miscellaneous eCore.

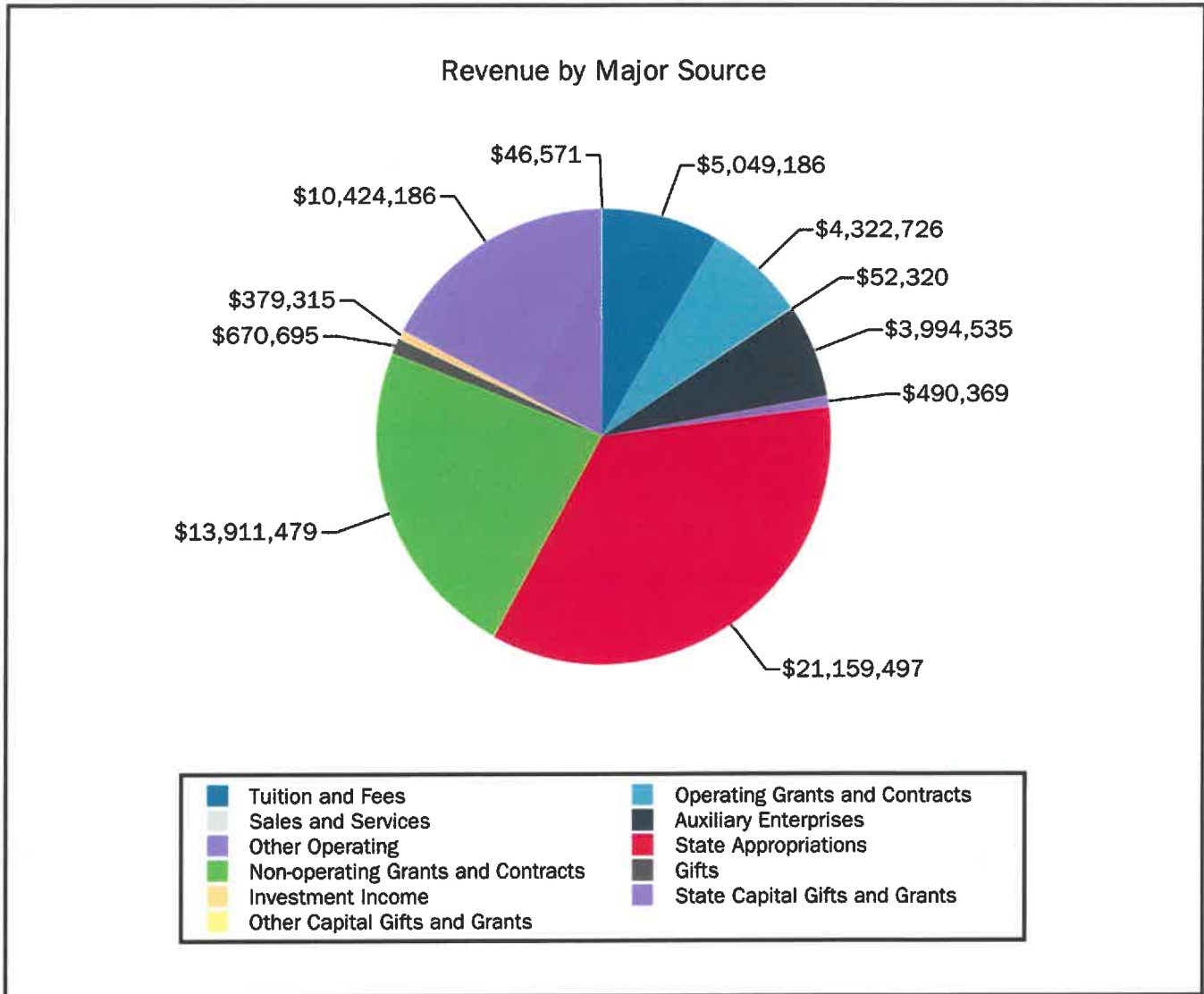
Non-operating revenues decreased \$9,697,990, which was due to a decrease in non-operating grants and contracts of \$11,287,909. The decrease in non-operating grants and contracts related to the final portion of Higher Education Emergency Relief Funds (HEERF) and Employee Retention Credit (ERC) which were recognized in FY 2023. Gifts increased due to recording of the equipment for the GSFIC managed project J347 Bandy Gym. Investment income increased due to awarding of the bank bid to Synovus, earning a higher interest rate compared to WellsFargo, the college's previous bank.

Capital Gifts and Grants increased \$10,336,892. The increase was primarily due to the recognizing the revenue associated with the transfer of the GSFIC managed project J347 Bandy Gym renovation totaling \$10,908,449.

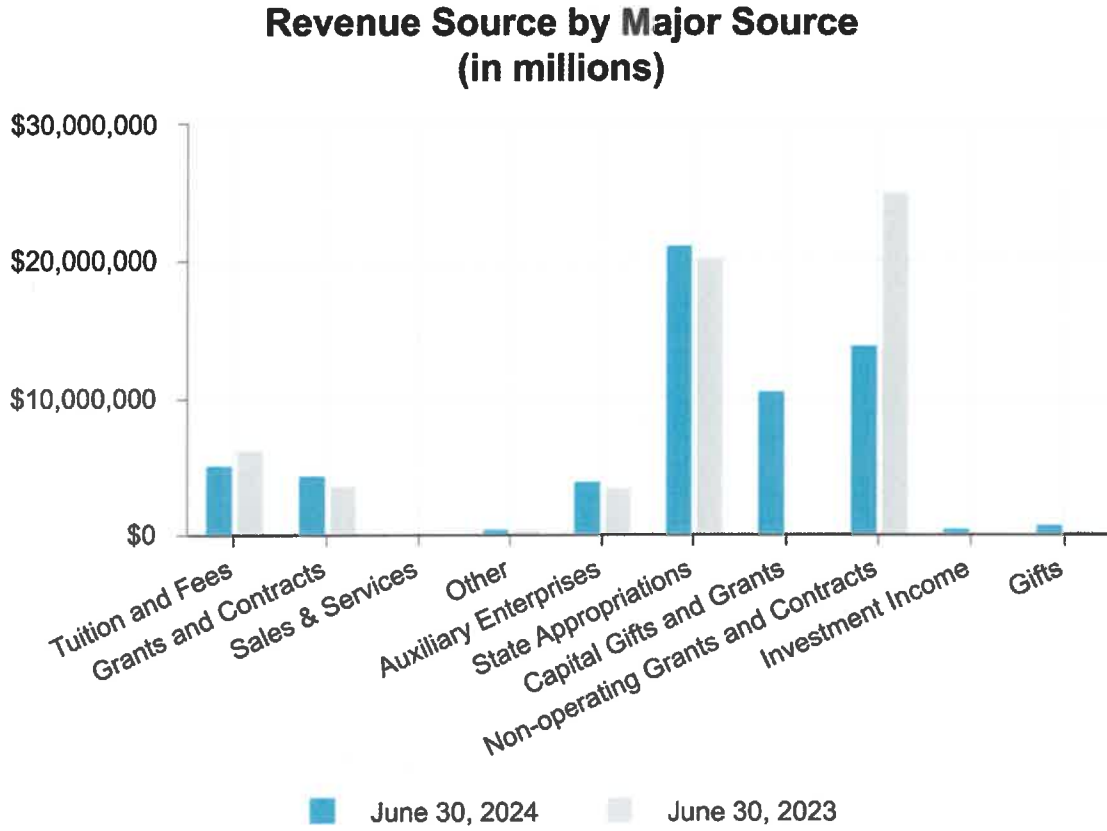
For the years ended June 30, 2024 and June 30, 2023, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2024	June 30, 2023	Increase/(Decrease)	% Change
Tuition and Fees	\$ 5,049,186	6,274,070	\$ (1,224,884)	(19.52)%
Grants and Contracts	4,322,726	3,694,135	628,591	17.02 %
Sales and Services	52,320	50,575	1,745	3.45 %
Auxiliary Enterprises	3,994,535	3,503,894	490,641	14.00 %
Other Operating Revenues	490,369	443,588	46,781	10.55 %
Total Operating Revenues	13,909,136	13,966,262	(57,126)	(0.41)%
State Appropriations	21,159,497	20,372,072	787,425	3.87 %
Grants and Contracts	13,911,479	25,199,388	(11,287,909)	(44.79)%
Gifts	670,695	237,881	432,814	181.95 %
Investment Income	379,315	20,106	359,209	1786.58 %
Other Nonoperating Revenues	(295,283)	(305,754)	10,471	3.42 %
Total Nonoperating Revenues	35,825,703	45,523,693	(9,697,990)	(21.30)%
State Capital Gifts and Grants	10,424,186	87,748	10,336,438	11779.69 %
Other Capital Gifts and Grants	46,571	46,117	454	0.98 %
Total Capital Gifts and Grants	10,470,757	133,865	10,336,892	7721.88 %
Total Revenues	\$ 60,205,596	\$ 59,623,820	\$ 581,776	0.98 %

Revenue by major source is depicted by the following chart:



Revenue by major source for the years ended June 30, 2024 and June 30, 2023 is depicted by the following chart:



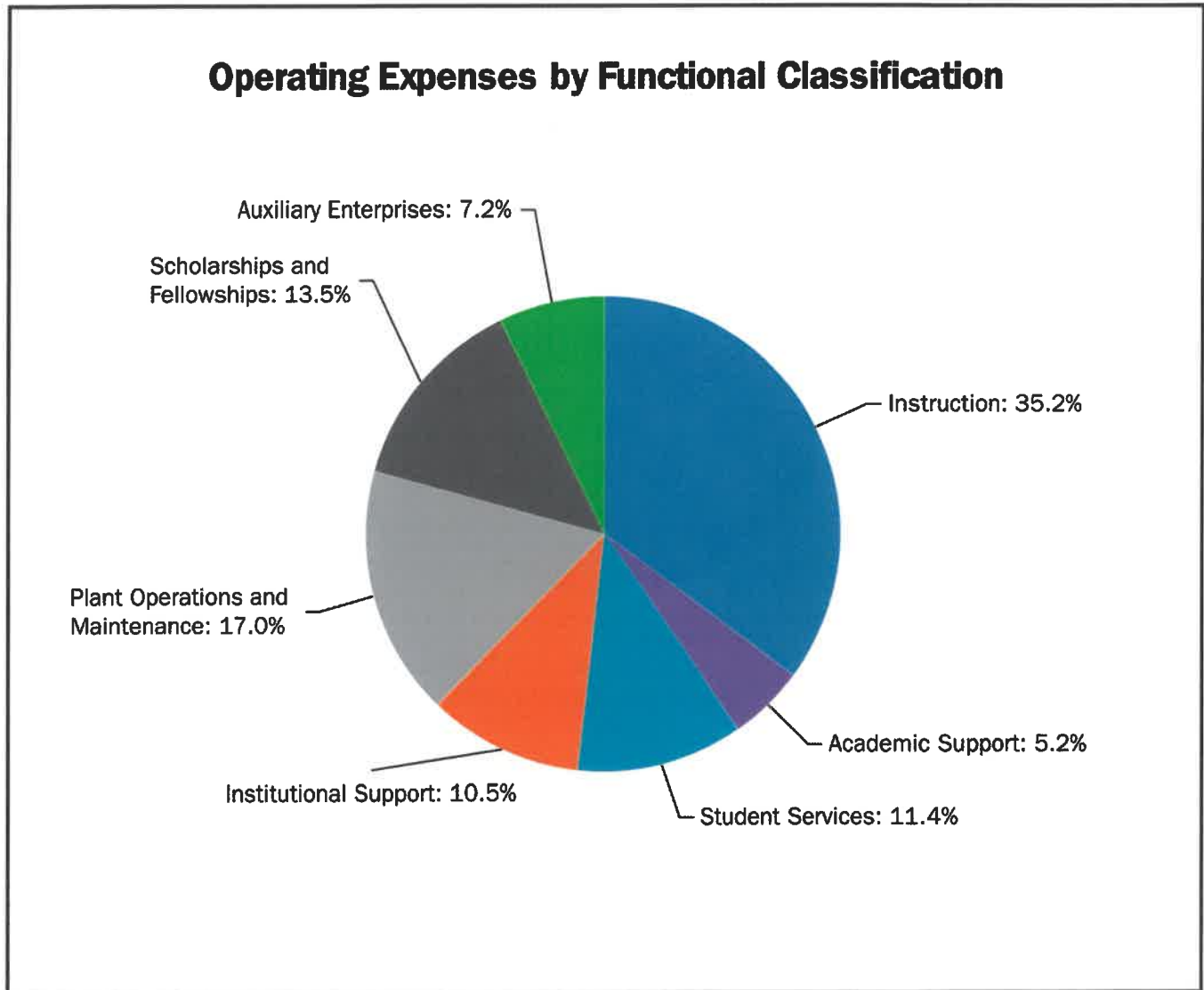
Expenses

For the years ended June 30, 2024 and June 30, 2023, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2024	June 30, 2023	Increase/(Decrease)	% Change
Instruction	\$ 18,023,070.00	\$17,062,578.00	\$ 960,492.00	5.63 %
Academic Support	2,660,935	3,046,476	\$(385,541)	(12.66)%
Student Services	5,836,873	5,241,095	595,778	11.37 %
Institutional Support	5,382,060	9,818,045	(4,435,985)	(45.18)%
Plant Operations and Maintenance	8,709,499	7,735,160	974,339	12.60 %
Scholarships and Fellowships	6,908,241	6,795,745	112,496	1.66 %
Auxiliary Enterprises	3,678,267	3,443,531	234,736	6.82 %
Total Operating Expenses	51,198,945	53,142,630	(1,943,685)	(3.66)%
Interest Expense	293,977	305,754	\$(11,777)	(3.85)%
Total Nonoperating Expenses	293,977	305,754	\$(11,777)	(3.85)%
Total Expenses	\$ 51,492,922	\$ 53,448,384	\$ (1,955,462)	(3.66)%

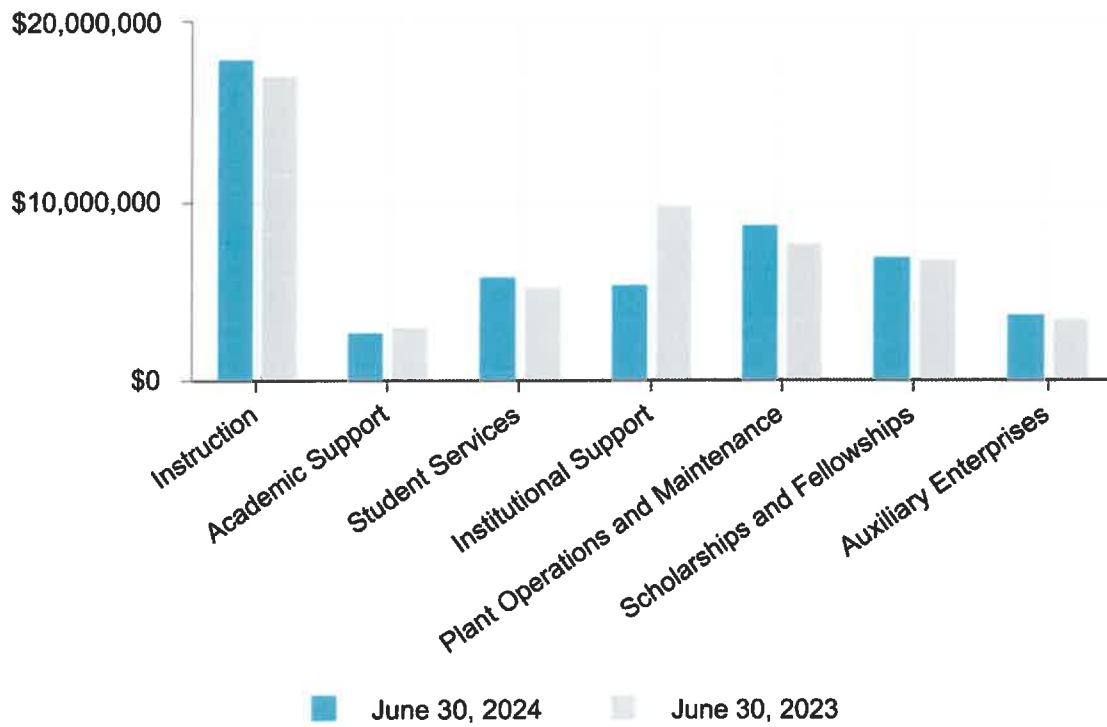
Total operating expenses were \$51,198,945 in fiscal year 2024, a decrease of \$1,943,685 when compared to fiscal year 2023. These decreases are primarily attributable to the following functional classifications: Academic Support \$385,541 and Institutional Support \$4,435,985. These amounts were partially offset by increases in Instruction \$960,492, Student Services \$595,778, and Plant Operations and Maintenance \$974,339. The overall decrease was due to a decrease in utilities and supplies offset with an increase in salaries. The primary decrease in supplies was due to one time IT related spending in FY2023 from HEERF funds. Additionally, there was a large one time purchase of fiber for utilities in FY2023 when compared to FY2024. The increase in salaries is due primarily to the one time supplement pay (\$1,000), pay increase for benefit eligible employees (\$2,000), increase in summer pay, and an increase in Overload.

The following chart depicts the fiscal year 2024 operating expenses by functional classification (percentages).

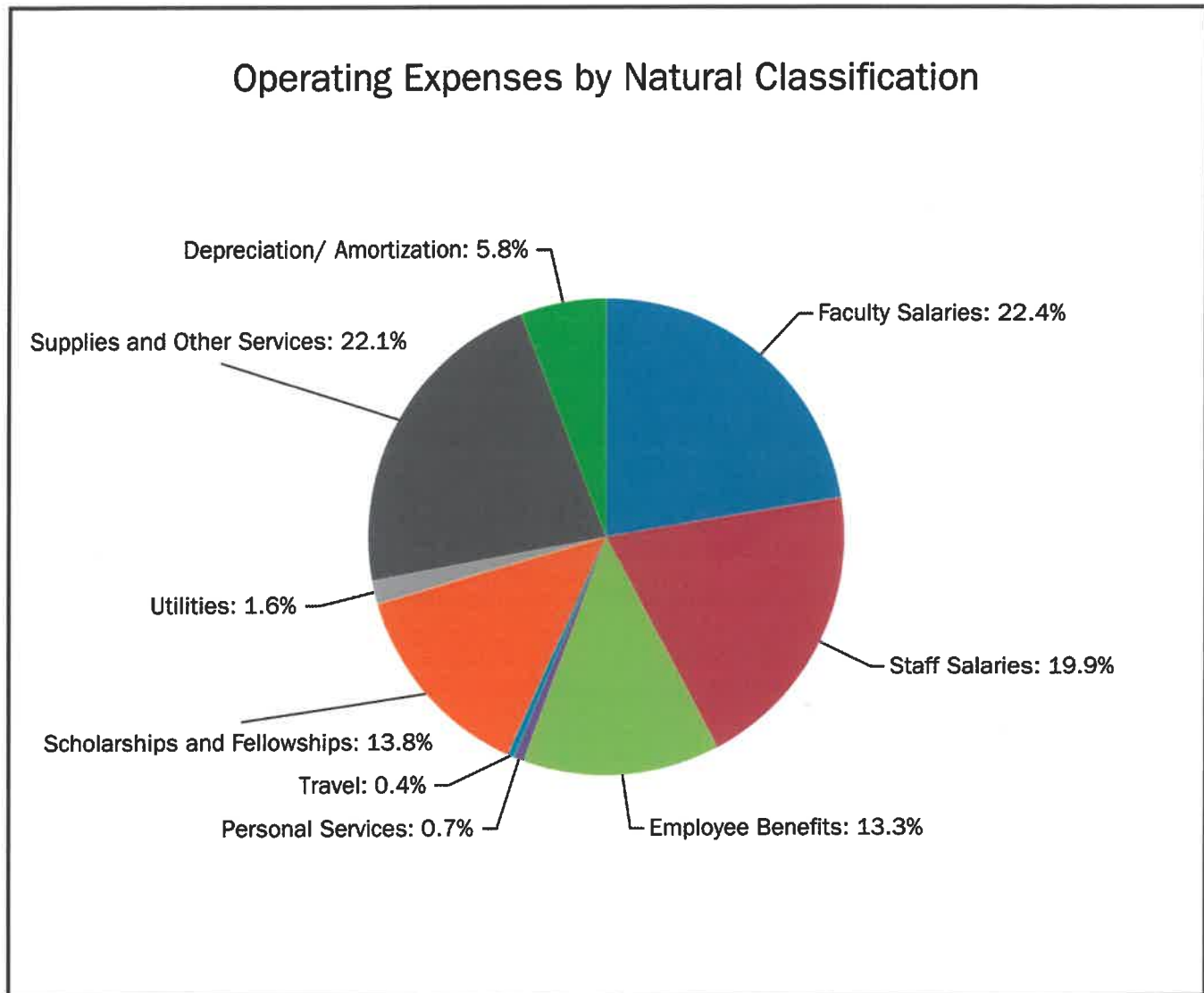


Operating expenses by functional classification for the years ended June 30, 2024 and June 30, 2023 is depicted by the following chart:

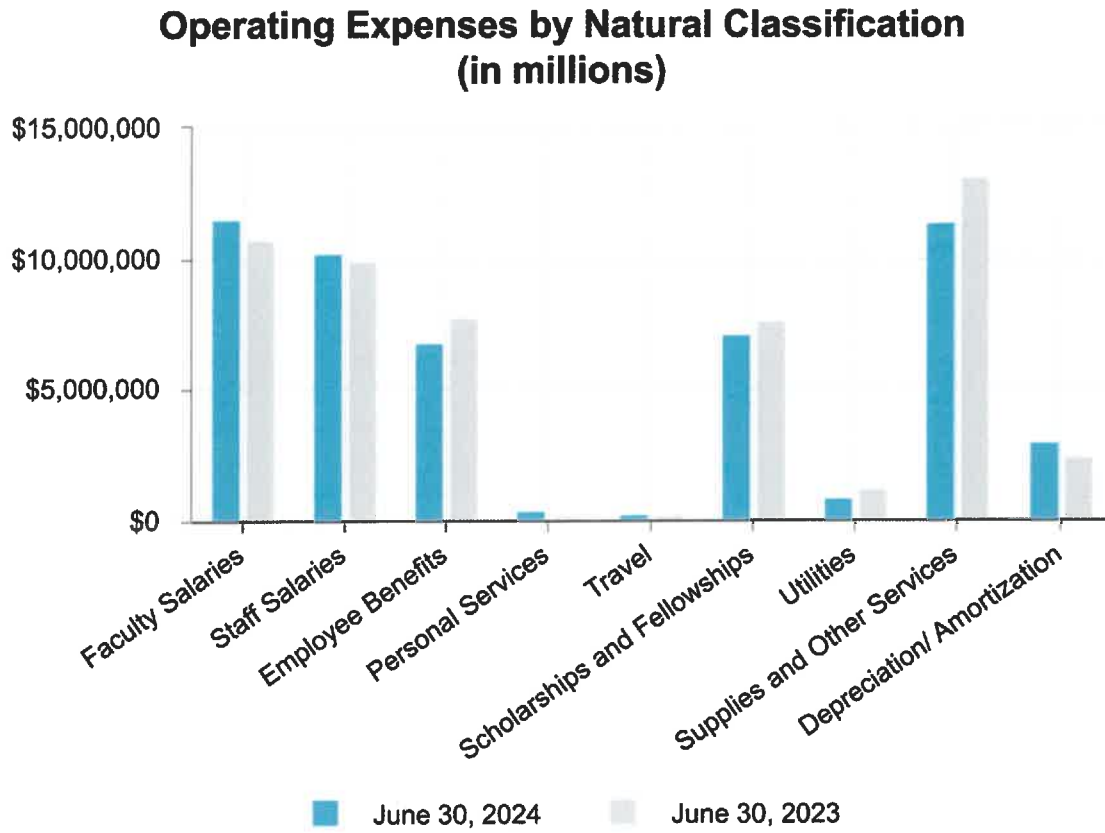
Operating Expenses by Functional Classification (in millions)



The following chart depicts the fiscal 2024 operating expenses by natural classification (percentages).



Operating expenses by natural classification for the years ended June 30, 2024 and June 30, 2023 is depicted by the following chart:



Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the College during the year and is divided into five sections. The first section is concerned with operating cash flows and reflects the net cash used by the various operating activities of the College. The second section is related to cash flows from non-capital financing activities, which reflects the cash received and spent for non-capital financing purposes. The third section summarizes cash flows from capital and related financing activities and contains cash used for the acquisition and construction of capital and related items. The fourth section is comprised of the cash flows from investing activities and includes the purchases, proceeds and interest received from investing activities. The fifth, and final, section reconciles the net cash used to the operating income or loss as reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2024 and 2023, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2024	June 30, 2023
Cash Provided (Used) by:		
Operating Activities	\$ (32,157,135)	\$ (35,624,295)
Non-Capital Financing Activities	35,741,670	41,374,796
Capital and Related Financing Activities	(3,390,187)	(1,940,040)
Investing Activities	379,315	20,106
NET CHANGE IN CASH	573,663	3,830,567
Cash, beginning of year	13,203,394	9,372,827
CASH, end of year	\$ 13,777,057	\$ 13,203,394

Capital & Intangible Right-to-Use Assets

Capital assets, net of accumulated depreciation, at June 30, 2024 and June 30, 2023 were as follows:

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change
Land	\$ 1,034,665	\$ 1,034,665	\$ —	— %
Capitalized Collections	122,217	103,288	18,929	18.33 %
Construction Work-in-Progress	2,004,580	272,371	1,732,209	635.97 %
Infrastructure	135,939	136,195	(256)	(0.19) %
Building and Building Improvements	57,292,074	48,784,522	8,507,552	17.44 %
Facilities and Other Improvements	2,374,707	1,113,244	1,261,463	113.31 %
Equipment	2,063,608	1,453,284	610,324	42.00 %
Library Collections	90,953	120,951	(29,998)	(24.80) %
Capital Assets, net of accumulated depreciation and amortization	\$ 65,118,743	\$ 53,018,520	\$ 12,100,223	22.82 %

The increase in construction work in progress was the J397 Lorberbaum Hall and J411 Roberts Library renovations. The increase in building and building improvements was primarily due to the addition of the GSFIC managed project 347 Bandy Gym that was transferred to the college this fiscal year for \$10,303,425 and the addition of Gignilliat Hall Terrace for \$281,194. The increase in facilities and facilities improvements was an addition of the parking lot at Roadrunner Place for \$1,178,333. The increase in equipment mainly due to the addition of the GSFIC managed project J347 Bandy Gym for \$605,024.

Intangible Right-to-Use assets, net of accumulated amortization, at June 30, 2024 and June 30, 2023 were as follows:

INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change
Building and Building Improvements	\$ 365,586	\$ 484,351	\$(118,765)	(24.52)%
Equipment	22,090	4,047	18,043	445.84 %
Subscription Based IT Arrangements (SBITAs)	381,622	334,392.00	47,230	14.12 %
Intangible Right-to-Use Assets, net of accumulated amortization	\$ 769,298	\$ 822,790	\$(53,492)	(6.50)%

As presented in the table above the most significant increase in Intangible Right-to-Use Assets was equipment. The increase in equipment was due to the lease of the Quadient IX7 postage machine.

For information concerning Capital and Intangible Right-to-Use Assets, see Notes 6, 8, and 13 in the Notes to the Financial Statements.

Long Term Liabilities

Dalton State College had Long-Term Liabilities of \$6,683,930 of which \$1,074,354 was reflected as current liability at June 30, 2024.

For additional information concerning Long-Term Liabilities, see Notes 8 and 13 in the Notes to the Financial Statements.

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

Economic Outlook

During fiscal year 2024, Dalton State College realized increases in state appropriations, tuition, and revenue in general. The state appropriation was driven by cost-of-living adjustments for state employees, which offset what would have been a slight decrease in appropriations. The increase was the second cost-of-living adjustment given to state employees in the past three years, which helped the institution during the national wage growth that occurred the past few years. The tuition revenue was driven by FTE increases of 5.4% in the fall and 9% in the spring. The enrollment increases lead to a 6.4% overall tuition increase. Auxiliary and miscellaneous revenue increases were boosted by increases in headcount. Fall headcount increased by 8.2% and spring increased by 10.6%.

Dalton State College's overall financial position in fiscal year 2024 was strong. Inflated prices for goods and services began to settle and seems to be nearing 2% as the year ends. This allowed operations to normalize during the year and will hopefully continue as the economy stays resilient. The administration will closely watch the national, state, and local economies as we transition to fiscal year 2025. The June unemployment rates for the United States, Georgia, and Dalton are 3.6%, 3.4%, and 3.9% respectively. The looming enrollment cliff will also start to impact country and northwest Georgia in fiscal year 2026.

In preparation for fiscal year 2025, Dalton State College is slated to receive a 1.7% increase in state appropriations from enrollment that will be increased by an additional 3.8% for another cost-of-living adjustment. Early projections of fall enrollment are also indicating another increase in headcount and FTE. That enrollment increase coupled with the 2% increase in tuition rates should continue to drive revenue for Dalton State College in fiscal year 2025.

Financial Statements (GAAP Basis)

**DALTON STATE COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024**

Dalton State College

ASSETS

Current Assets

Cash and Cash Equivalents	\$	13,535,720
Cash and Cash Equivalents (Externally Restricted)		241,337
Accounts Receivable, net		
Federal Financial Assistance		996,781
Affiliated Organizations		260,202
Other		3,312,169
Inventories		8,090
Prepaid Items		97,571
Total Current Assets		18,451,870

Non-Current Assets

Accounts Receivable, net		
Due From USO - Capital Liability Reserve Fund		46,314
Capital Assets, net		65,118,743
Intangible Right-to-Use Assets, net		769,298
Total Non-Current Assets		65,934,355

TOTAL ASSETS

84,386,225

DEFERRED OUTFLOWS OF RESOURCES

\$ 11,109,227

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

DALTON STATE COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Dalton State College</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 973,158
Salaries Payable	76,726
Benefits Payable	118,349
Retainage Payable	196,083
Advances (Including Tuition and Fees)	909,075
Deposits	17,466
Deposits Held for Other Organizations	12,848
Subscription Obligations	113,581
Notes and Loans Payable	197,194
Lease Obligations - External	94,468
Compensated Absences	669,111
Total Current Liabilities	<u>3,378,059</u>
Non-Current Liabilities	
Subscription Obligations	165,212
Notes and Loans Payable	4,829,733
Lease Obligations - External	286,847
Compensated Absences	327,784
Net Other Post Employment Benefits Liability	21,337,414
Net Pension Liability	22,886,029
Total Non-Current Liabilities	<u>49,833,019</u>
TOTAL LIABILITIES	<u>53,211,078</u>
DEFERRED INFLOWS OF RESOURCES	<u>16,153,615</u>
NET POSITION	
Net Investment in Capital Assets	59,702,138
Unrestricted (Deficit)	<u>(33,571,379)</u>
TOTAL NET POSITION	<u>\$ 26,130,759</u>

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

DALTON STATE COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024

	<u>Dalton State College</u>	
OPERATING REVENUES		
Student Tuition and Fees (net)	\$	5,049,186
Grants and Contracts		
Federal		2,700,332
State		287,602
Other		1,334,792
Sales and Services		52,320
Auxiliary Enterprises		
Residence Halls		574,084
Bookstore		24,122
Food Services		1,146,709
Parking/Transportation		516,838
Health Services		243,691
Intercollegiate Athletics		1,116,300
Other Organizations		372,791
Other Operating Revenues		<u>490,369</u>
Total Operating Revenues	\$	<u>13,909,136</u>
OPERATING EXPENSES		
Faculty Salaries	\$	11,469,702
Staff Salaries		10,180,071
Employee Benefits		6,801,227
Other Personal Services		344,507
Travel		229,956
Scholarships and Fellowships		7,063,513
Utilities		829,704
Supplies and Other Services		11,329,329
Depreciation and Amortization		<u>2,950,936</u>
Total Operating Expenses	\$	<u>51,198,945</u>
Operating Income (Loss)	\$	<u>(37,289,809)</u>

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

DALTON STATE COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024

	<u>Dalton State College</u>
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	\$ 21,159,497
Grants and Contracts	
Federal	13,911,479
Gifts	670,695
Investment Income	379,315
Interest Expense	(293,977)
Other Nonoperating Revenues (Expenses)	<u>(1,306)</u>
Net Nonoperating Revenues	<u>35,825,703</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>(1,464,106)</u>
Capital Grants and Gifts	
State	10,424,186
Other	<u>46,571</u>
Total Other Revenues, Expenses, Gains or Losses	<u>10,470,757</u>
Change in Net Position	<u>9,006,651</u>
Net Position, Beginning of Year	17,124,108
Net Position, End of Year	<u>\$ 26,130,759</u>

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

**DALTON STATE COLLEGE
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Dalton State College</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 11,365,006
Grants and Contracts (Exchange)	5,905,996
Payments to Suppliers	(20,537,331)
Payments to Employees	(21,832,286)
Payments for Scholarships and Fellowships	(7,063,513)
Other Payments	4,993
Net Cash Used by Operating Activities	<u>(32,157,135)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	21,159,497
Gifts and Grants Received for Other Than Capital Purposes	14,582,173
Net Cash Flows Provided by Non-Capital Financing Activities	<u>35,741,670</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	10,266,978
Purchases of Capital and Intangible Right-to-Use Assets	(12,860,014)
Principal Paid on Capital Debt and Leases	(477,085)
Interest Paid on Capital Debt and Leases	(320,066)
Net Cash Used by Capital and Related Financing Activities	<u>(3,390,187)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	379,315
Net Cash Provided by Investing Activities	<u>379,315</u>
Net Increase in Cash and Cash Equivalents	573,663
Cash and Cash Equivalents, Beginning of Year	<u>13,203,394</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,777,057</u>

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

**DALTON STATE COLLEGE
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Dalton State College</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (37,289,809)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	2,950,936
Change in Assets and Liabilities:	
Receivables, net	3,009,807
Inventories	3,848
Prepaid Items	43,720
Other Assets	
Accounts Payable	377,815
Salaries Payable	20,217
Benefits Payable	4,354
Contracts Payable	(17,457)
Retainage Payable	89,736
Deposits	(8,662)
Advances (Including Tuition and Fees)	77,545
Funds Held for Others	4,993
Compensated Absences	41,169
Due to Affiliated Organizations	(443)
Net Pension Liability	(3,423,495)
Other Post-Employment Benefit Liability	(6,954,269)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	2,692,507
Deferred Outflows of Resources	6,220,353
Net Cash Used by Operating Activities	<u>\$ (32,157,135)</u>
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS	
Current Year Accruals Related to Capital Financing Activities	<u>\$ 262,358</u>
Gain (Loss) on Disposal of Capital Assets	<u>\$ (1,305)</u>
Accrual of Capital Asset Related Payables	<u>\$ 1</u>
Capital Assets Acquired Through Prepaid Capital	<u>\$ 1,900,000</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ 26,341</u>
Intangible Right-to-Use Assets Acquired by Incurring SBITAs	<u>\$ 143,052</u>
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	<u>\$ 26,089</u>

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

**DALTON STATE COLLEGE
STATEMENT OF FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Receivables	—
Other	\$ 835,511
Total Assets	<u>835,511</u>
LIABILITIES	
Cash Overdraft	331,787
Deposits held for other organizations	13,356
Other Liabilities	<u>44,789</u>
Total Liabilities	<u>389,932</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u>\$ 445,579</u>

DALTON STATE COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 4,166,670
State Financial Aid	5,933,771
Other Financial Aid	681,163
Clubs and Other Organizations Fund Raising	55,816
Public-Private Partnership Passthrough	<u>2,074,211</u>
Total Additions	<u>12,911,631</u>
DEDUCTIONS	
Scholarships and Other Student Support	10,745,700
Student Organizations Support	134,226
Public-Private Partnership Passthrough	<u>2,111,939</u>
Total Deductions	<u>12,991,865</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>(80,234)</u>
Net Position, Beginning of Year	<u>525,813</u>
Net Position, End of Year	<u>\$ 445,579</u>

Notes to the Financial Statements

**DALTON STATE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

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

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

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the College. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2024, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Basis of Accounting and Financial Statement Presentation

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

The College's business-type activities and fiduciary fund financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are

recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. All significant intra-fund transactions have been eliminated.

The College reports the following fiduciary fund:

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

New Accounting Pronouncements

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

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections, effective for fiscal years beginning after June 15, 2023. The objectives of this Statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoptions of this statement does not have a significant impact on the financial statements and will be applied prospectively.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the State Investment Pool (Georgia Fund 1). Cash and Cash Equivalents that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Cash and Cash Equivalents restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

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

Inventories

Consumable supplies are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis. Resale inventories are valued at cost using the average-cost basis.

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items.

Capital Assets

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

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

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

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

Intangible Right-To-Use Assets

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

The College also entered into certain subscription-based agreements to use vendor-provided information technology (IT). Subscription-based information technology arrangements (SBITAs) result in an intangible right-to-use asset and a subscription obligation on the Statement of Net Position. The College capitalizes SBITA items that are greater than \$100,000 over the subscription term and the initial term exceeds 12 months.

An intangible right-to-use asset represents the College's right to use an underlying asset for the lease or subscription term. Lease and/or subscription obligations represent the College's liability to make lease and/or subscription payments arising from the lease and/or subscription agreement. Intangible right-to-use assets, lease obligations, and subscription obligations are recognized based on the present value of lease and/or subscription 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 and/or subscription 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 and/or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease and/or subscription term or useful life of the underlying asset. Prepayments made before the commencement of the lease and/or subscription are reported as intangible right-to-use assets in progress.

Capital Liability Reserve Fund

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term capital lease obligations. All USG institutions participating in the PPV program finance the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The balance included on the College's Statement of Net Position as Due from USO - Capital Liability Reserve Fund represents the College's contribution to the Fund.

Deferred Outflows of Resources

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

Deposits

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

Advances

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

Deposits Held for Other Organizations

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

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

Other Post-Employment Benefit (OPEB)

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

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

Pensions and Net Pension Liability

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

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

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

Net Position

The College's net position is classified as follows:

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

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

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

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

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

Income Taxes

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

Classification of Revenues and Expenses

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

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

Discussion and Analysis—for State and Local Governments, such as state appropriations and investment income.

- Operating expense includes activities that have the characteristics of exchange transactions.
- Nonoperating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the College has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$8,232,068.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2024 are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Statement of Net Position

Current

Cash and Cash Equivalents	\$	13,535,720
Cash and Cash Equivalents (Externally Restricted)	\$	241,337

Statement of Fiduciary Net Position

Cash and Cash Equivalents	(331,787)
	<u>\$ 13,445,270</u>

Cash on hand, deposits and investments as of June 30, 2024 consist of the following:

Cash on Hand	\$	16,350
Deposits with Financial Institutions		12,844,855
Investments		584,065
	<u>\$</u>	<u>13,445,270</u>

A. Deposits with Financial Institutions

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

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.

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

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

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

At June 30, 2024, the bank balances of the College's deposits totaled \$13,591,847. Of these deposits, \$0 were exposed to custodial credit risk.

B. Investments

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

The following table summarizes the valuation of the College's investments measured at fair value on a recurring basis as of June 30, 2024.

	<u>Fair Value</u>
Investment type:	
Investment Pools	
Office of the State Treasurer	
Georgia Fund 1	584,065
Total Investments	<u>\$ 584,065</u>

Office of the State Treasurer Investment Pools

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company, and the State does not consider Georgia Fund 1 to be a 2a7-like pool. This investment is valued at the pool's share price, \$1.00 per share. The Georgia Fund 1 Investment Pool is an AAf rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 33 days.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments that will adversely affect the fair value of an investment. The College has no formal policy for managing interest rate risk.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for managing credit quality risk is contained in the investment policy guidelines of the Georgia Office of the State Treasurer. The Georgia Fund 1 Investment Pool is managed by the Office of the State Treasurer (OST). OST utilizes a counterparty risk assessment model to assess credit risk of financial institutions that have been approved to serve as counterparties and major depositories. OST has assigned credit limits to each financial institution based upon counterparty risk assessment model which incorporates market indicators, default probabilities, issuer research and issuer ratings to determine maximum credit exposure per institution, term of investment for respective counterparties and collateralization requirements in accordance with the OST Investment Policy.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2024:

	<u>Business Type Activities</u>	<u>Fiduciary Fund</u>
Student Tuition and Fees	\$ 426,987	\$ 17,029
Auxiliary Enterprises and Other Operating Activities	128,762	—
Federal Financial Assistance	996,781	256,932
Georgia Student Finance Commission	—	535,522
Georgia State Financing and Investment Commission	495,162	—
Due from Affiliated Organizations	260,202	—
Due From Other USG Institutions	167,814	—
Other	2,384,339	26,028
	<u>4,860,047</u>	<u>835,511</u>
Less: Allowance for Doubtful Accounts	244,581	—
Net Accounts Receivable	<u>\$ 4,615,466</u>	<u>\$ 835,511</u>

Other accounts receivable includes approximately \$2,266,049 of Employee Retention Credit funds.

Note 4 Inventories

Inventories consisted of the following at June 30, 2024:

Consumable Supplies	<u>\$ 8,090</u>
Total	<u>\$ 8,090</u>

Note 5 Notes and Loans Receivable

As of June 30, 2024, Dalton State College had no outstanding notes/loan receivables.

Note 6 Capital and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2024 are shown below:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Land	\$ 1,034,665	\$ —	\$ —	\$ 1,034,665
Capitalized Collections	103,288	18,929	—	122,217
Construction Work-in-Progress	272,371	2,013,403	281,194	2,004,580
Software Development-in-Progress	—	—	—	—
Total Capital Assets Not Being Depreciated	1,410,324	2,032,332	281,194	3,161,462
Capital Assets, Being Depreciated/Amortized:				
Infrastructure	1,346,095	—	—	1,346,095
Building and Building Improvements	77,623,442	10,584,619	—	88,208,061
Facilities and Other Improvements	2,961,399	1,354,059	—	4,315,458
Equipment	5,923,835	1,052,998	218,329	6,758,504
Library Collections	6,163,536	18,030	31,523	6,150,043
Total Capital Assets Being Depreciated/Amortized	94,018,307	13,009,706	249,852	106,778,161
Less: Accumulated Depreciation/Amortization				
Infrastructure	1,209,900	256	—	1,210,156
Building and Building Improvements	28,838,920	2,077,067	—	30,915,987
Facilities and Other Improvements	1,848,155	92,596	—	1,940,751
Equipment	4,470,551	441,369	217,024	4,694,896
Library Collections	6,042,585	48,028	31,523	6,059,090
Total Accumulated Depreciation/Amortization	42,410,111	2,659,316	248,547	44,820,880
Total Capital Assets, Being Depreciated/Amortized,	51,608,196	10,350,390	1,305	61,957,281
Capital Assets, net	\$ 53,018,520	\$ 12,382,722	\$ 282,499	\$ 65,118,743

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the College when complete. For projects managed by the College, the College retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2024, GSFIC had construction in progress of \$0 for incomplete GSFIC managed projects for the College. For the year ended June 30, 2024, GSFIC transferred project J347 Bandy Gym and the construction and equipment valued at \$10,908,449 was recognized on the college's books.

Intangible Right-to-Use Assets

Changes in intangible assets for the year ended June 30, 2024 are shown below:

	Beginning		Ending	
	Balances			Balance
	July 1, 2023	Additions	Reductions	June 30, 2024
Intangible Right-to-use Assets, Being Amortized:				
Building and Building Improvements	\$ 711,984	\$ —	\$ —	\$ 711,984
Equipment	10,695	26,341	—	37,036
Subscription Based IT Arrangements (SBITAs)	465,092	211,787	—	676,879
Total Leased Assets Being Amortized	1,187,771	238,128	—	1,425,899
Less: Accumulated amortization				
Building and Building Improvements	227,633	118,765	—	346,398
Equipment	6,648	8,298	—	14,946
Subscription Based IT Arrangements (SBITAs)	130,700	164,557	—	295,257
Total Accumulated Amortization	364,981	291,620	—	656,601
Total Intangible Right-to-use Assets,	822,790	(53,492)	—	769,298
Total Capital Assets, Being Amortized, Net	\$ 822,790	\$ (53,492)	\$ —	\$ 769,298

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2024:

	Current Liabilities
Prepaid Tuition and Fees	\$ 667,738
Other - Advances	241,337
Totals	\$ 909,075

There were no Fiduciary fund advances reported in the Statement of Fiduciary Net Position.

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Lease & Subscription Obligations					
Lease Obligations	\$ 484,871	\$ 26,341	\$ 129,897	\$ 381,315	\$ 94,468
Subscription Obligations	301,081	143,052	165,340	278,793	113,581
Total	785,952	169,393	295,237	660,108	208,049
Other Liabilities					
Compensated Absences	955,726	718,881	677,712	996,895	669,111
Notes and Loans Payable	5,208,775	—	181,848	5,026,927	197,194
Total	6,164,501	718,881	859,560	6,023,822	866,305
Total Long-Term Obligations	\$ 6,950,453	\$ 888,274	\$ 1,154,797	\$ 6,683,930	\$ 1,074,354

See Note 14, Retirement Plans, for information related to Net Pension Liability. See Note 17, Post-Employment Benefits Other Than Pension Benefits, for information related to Net Other Post Employment Benefits Liability.

Notes and Loans Payable

Financing Lease Agreements

The College is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the asset(s) transfers ownership at the end of the agreement.

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the College. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The College's principal and interest payments related to financing lease agreements for fiscal year 2024 were \$181,848 and \$316,741, respectively. The interest rate is 6%.

The College has \$5,026,927 in outstanding notes and loans payable due to affiliated organizations and other related party organizations for financing lease agreements.

The following is a summary of the carrying values of assets held under financing lease agreements at June 30, 2024:

Description	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Financing Lease Arrangements at June 30, 2024	Outstanding Balances per Lease Schedules at June 30, 2024
	(+)	(-)	(=)	
Finance Buildings and Building Improvements	\$ 7,137,221	\$ 3,139,462	3,997,759	\$ 5,026,927
Total Assets Held Under Finance Lease Arrangement	\$ 7,137,221	\$ 3,139,462	\$ 3,997,759	\$ 5,026,927

(1) These financing lease agreements are related party transactions.

Below is the annual debt service related to the outstanding notes and loans payable at June 30, 2024.

Year Ending June 30:	Principal	Interest
2025	\$ 197,194	\$ 305,075
2026	208,135	292,585
2027	224,218	279,274
2028	235,538	265,104
2029	255,208	250,000
2030 through 2034	1,553,494	983,754
2035 through 2039	2,127,568	421,396
2040 through 2044	225,572	7,621
Total Minimum Lease Payments	\$ 5,026,927	\$ 2,804,809

Note 9 Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2024, consisted of the following:

Deferred Outflow of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	7,432,440
Deferred Outflow on OPEB Plan (See Note 17)	3,676,787
Total Deferred Outflows of Resources	\$ 11,109,227

Deferred Inflow of Resources

Deferred Inflow on Debt Refunding	\$ 415,243
Deferred Inflow on Defined Benefit Pension Plans (See Note 14)	1,316,388
Deferred Inflow on OPEB Plan (See Note 17)	14,421,984
Total Deferred Inflows of Resources	\$ 16,153,615

Deferred Loss/Gain on Debt Refunding

In June 2015, Dalton State College Foundation refunded the bonds associated with the Dalton State College parking deck lease and passes the perceived economic advantages of the refund to the college. The net savings to the college resulting from this refund was \$652,213 for the difference in the cash flow requirements between the original lease and the revised lease. The unamortized Deferred Inflow on Debt Refunding at year end related to this transaction is \$415,243.

Note 10 Net Position

The breakdown of business-type activity net position for the College fund at June 30, 2024 is as follows:

Net Investment in Capital Assets	\$ 59,702,138
Unrestricted	
Auxiliary Enterprises Operations	8,616,857
Reserve for Encumbrances	4,706,428
Reserve for Inventory	9,750
Capital Liability Reserve Fund	46,314
Other Unrestricted	(46,950,728)
Sub-Total	<u>(33,571,379)</u>
Total Net Position	<u>\$ 26,130,759</u>

Other unrestricted net position is reduced by \$32,082,611 related to the recording of net OPEB liability, deferred inflows of resources, and deferred outflows of resources related to the OPEB plan. Other unrestricted net position is also reduced by \$16,769,977 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation and student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the College is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in Net Position for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Net Investments in Capital Assets	\$ 47,405,251	\$ 15,476,057	\$ 3,179,170	\$ 59,702,138
Restricted Net Position	—	28,704,962	28,704,962	—
Unrestricted Net Position	<u>(30,281,143)</u>	<u>31,795,917</u>	<u>35,086,153</u>	<u>(33,571,379)</u>
Total Net Position	<u>\$ 17,124,108</u>	<u>\$ 75,976,936</u>	<u>\$ 66,970,285</u>	<u>\$ 26,130,759</u>

Note 11 Endowments

The College did not have donor restricted endowments at June 30, 2024.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances as of June 30, 2024. The College had no other significant unearned outstanding construction or renovation contracts as of June 30, 2024. This amount is not reflected in the accompanying basic financial statements.

Note 13 Leases and Subscriptions

The College leases facilities, office and computer equipment, and other assets. The College also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and subscription terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the College. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The College's principal and interest payments related to leases for fiscal year 2024 were \$129,897 and \$3,266, respectively. Interest rates range from 1% to 2.9%.

The College has \$ 381,315 in outstanding intangible right-to-use lease obligations.

The College's principal and interest payments related to SBITAs for fiscal year 2023 were \$165,340 and \$59, respectively. Interest rate ranges from 1% to 2.9%.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2024:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Lease at June 30, 2024	Outstanding Balance per Lease Schedules at June 30, 2024
	(+)	(-)	(=)	
Leased Equipment	\$ 37,036	\$ 14,947	\$ 22,089	\$ 21,365
Leased Buildings and Building Improvements	711,984	346,398	365,586	359,950
Total Assets Held Under Lease	\$ 749,020	\$ 361,345	\$ 387,675	\$ 381,315

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

Description	Lessor	Original Principal *	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal
Postage Machine - Quadient iX7	Neopost	\$ 26,340	5 Years	Jul 2023	Jun, 2028	\$ 21,074
Mountain Campus (Gilmer)	Gilmer County	622,456	10 years	Jul 2018	Jun, 2028	359,950
Folder Inserter	FP Mailing Solutions	10,696	5 years	Aug 2019	Aug, 2024	291
Ottinger Building	DSF Properties, LLC	89,528	5 years	Apr 2019	Jun, 2024	—
Total Leases		\$ 749,020				\$ 381,315

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

Below is the future commitments related to the outstanding lease obligations as of June 30, 2024:

	Principal	Interest
Year Ending June 30:		
2025	\$ 94,468	\$ 2,498
2026	94,893	1,782
2027	95,614	1,062
2028	96,340	335
Total Minimum Lease Payments	\$ 381,315	\$ 5,677

Subscription Obligations

The following is a summary of the carrying values of intangible right-to-use assets held under SBITA at June 30, 2024. For the fiscal year 2024, there were no variable payments based on performance, nor termination penalties expensed.

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2024	Outstanding Balance per Subscription Schedules at June 30, 2024
Subscription Based IT Arrangements (SBITAs)	\$ 676,879	\$ 295,256	\$ 381,623	\$ 278,793
Total Assets Held Under Subscription Based Information Technology Arrangements (SBITAs)	\$ 676,879	\$ 295,256	\$ 381,623	\$ 278,793

Below is the future commitments related to the outstanding subscription obligations year at June 30, 2024:

	Principal	Interest
Year Ending June 30:		
2025	113,581	3,636
2026	116,222	2,339
2027	48,990	1,011
Total Minimum Subscription Payments	\$ 278,793	\$ 6,986

Note 14. Retirement Plans

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

The college also provides the Regents Retirement Plan.

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

A. Teachers Retirement System of Georgia

General Information about the Teachers Retirement System

Plan Description

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

Benefits Provided

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

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2024. The College's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of Institution's annual payroll. The College's contributions to TRS totaled \$2,314,435 for the year ended June 30, 2024.

General Information about the Employees' Retirement System

Plan Description

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

Benefits Provided

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

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The Institution's contributions to ERS totaled \$921 for the year ended June 30, 2024. 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, 2024, the College reported a liability for its proportionate share of the net pension liability for TRS. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The College's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2023. At June 30, 2023, the College's TRS proportion was 0.07717%, which was an decrease of (0.002940)% from its proportion measured as of June 30, 2022. At June 30, 2023, the Dalton State College's ERS proportion was 0.001712%, which was a decrease of (0.002724)% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized pension expense of \$4,011,280 for TRS and \$(22,571) for ERS. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,156,936	\$ 94,204	\$ 1,551	\$ 239
Changes of assumptions	2,343,974	—	3,930	—
Net difference between projected and actual earnings on pension plan investments	1,602,453	—	4,160	—
Changes in proportion and differences between contributions and proportionate share of contributions	—	1,151,197	4,078	70,748
Contributions subsequent to the measurement date	2,314,435	—	921	—
Total	\$ 7,417,798	\$ 1,245,401	\$ 14,640	\$ 70,987

The College's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	TRS	ERS
2025	1,040,850	\$ (50,575)
2026	564,264	\$ (13,104)
2027	2,878,713	\$ 8,314
2028	(625,865)	\$ (1,903)
2029	—	\$ —

Actuarial assumptions

The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	6.90%, 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System

Inflation	2.50%
Salary increases	3.00 – 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Cost-of-living-adjustment	1.05%, annually

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

Asset class	TRS target allocation	TRS Long-term expected real rate of return*	ERS target allocation	ERS Long-term expected real rate of return*
Fixed income	30.00 %	0.90 %	30.00 %	0.90 %
Domestic large equities	46.30 %	9.40 %	46.30 %	9.40 %
Domestic small equities	1.20 %	13.40 %	1.20 %	13.40 %
International developed market equities	12.30 %	9.40 %	12.30 %	9.40 %
International emerging market equities	5.20 %	11.40 %	5.20 %	11.40 %
Alternatives	5.00 %	10.50 %	5.00 %	10.50 %
Total	<u>100.00 %</u>		<u>100.00 %</u>	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 6.90% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the

difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS 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 Institution's proportionate share of the net pension liability to changes in the discount rate:

The following presents the Dalton State College's proportionate share of the net pension liability calculated using the discount rate of 6.90% for TRS and 7.00% for ERS, as well as what the Dalton State College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	\$ 36,023,994	\$ 22,783,898	\$ 11,971,578

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 140,145	\$ 102,131	\$ 70,141

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial reports which are publicly available at trsga.com/publications.

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2024, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The College and the covered employees made the required contributions of \$773,926 (9.24%) and \$502,550 (6.00%), respectively to the Regents Retirement Plan.

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

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2024, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

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

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

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

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

Note 16 Contingencies

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

Litigation, claims and assessments filed against the College, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2024.

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

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

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2024, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

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

The College's membership in the Plan consisted of the following at June 30, 2024:

Active Employees	283
Retirees or Beneficiaries Receiving Benefits	152
Retirees or Beneficiaries Eligible But Not Receiving Benefits	—
Retirees Receiving Life Insurance Only	24
	<hr/>
Total	459
	<hr/> <hr/>

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

The College pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan

year. For the 2024 plan year, the employer rate was approximately 83% of the total health insurance cost for eligible retirees and the retiree rate was approximately 17%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2024, the College contributed \$617,212 to the plan for current premiums or claims.

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

At June 30, 2024, the College reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2023. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The College's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the College's proportion was 0.671548%, which was a decrease of (0.042650)% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized OPEB expense of \$(2,521,044). At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 916,129	\$ 163,000
Changes of assumptions	1,786,765	11,617,153
Net difference between projected and actual earnings on OPEB plan investments	96,747	—
Changes in proportion and differences between contributions and proportionate share of contributions	259,933	2,641,828
Contributions subsequent to the measurement date	617,212	—
Total	\$ 3,676,786	\$ 14,421,981

The College's contributions subsequent to the measurement date of \$617,212 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2025	\$	(3,518,817)
2026	\$	(3,443,134)
2027	\$	(2,645,182)
2028	\$	(1,545,709)
2029	\$	(209,565)
Thereafter	\$	—

Actuarial assumptions

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of May 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2023 of 3.65% from Bond Buyers GO 20-Municipal Bond Index Rate; Discount Rate 3.69% Interest Rate as of 6/30/2022 of 3.54% from Bond Buyers GO 20- Municipal Bond Index Long-term Rate of Return 5.40% General Inflation 2.30% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2021
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.7%
Medicare Eligible	2%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	2%
Year Ultimate Trend is Reached	Fiscal Year 2034 for Pre-Medicare Eligible, Fiscal Year 2023 for Medicare Eligible

Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019 with the exception of the disability and salary increase assumptions. These assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Experience Study

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,000 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result

Changes in Plan Since Prior Valuation

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	1.63 %	70 %
Equity Allocation	4.52 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2027 is \$0, based on the valuation completed for the fiscal year ending June 30, 2023. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2028. Therefore, the long-term expected rate of return on Plan investments of 5.40% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2023, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a single equivalent yield or index rate of 3.69% was used. This rate is comprised primarily of the yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher (3.65% from the Bond Buyers GO 20-Bond Municipal Bond Index).

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

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.69%) or 1% higher (4.69%) than the current discount rate (3.69%):

	1% Decrease 2.69%	Current Rate 3.69%	1% Increase 4.69%
Proportionate Share of the Net OPEB Liability	\$ 24,787,091	\$ 21,337,414	\$ 18,534,395

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 18,718,305	\$ 21,337,414	\$ 24,590,857
Pre-Medicare Eligible	6.7% decreasing to 3.5%	7.7% decreasing to 4.5%	8.7% decreasing to 5.5%
Medicare Eligible	1%	2%	3%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2024 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 11,210,836	\$ 1,249,208	\$ 4,103,678	\$ —	\$ 70,223
Academic Support	61,879	1,329,034	444,149	—	28,638
Student Services	145,463	2,447,605	1,008,516	24	45,770
Institutional Support	27,307	3,053,515	443,483	330,218	46,329
Plant Operations and Maintenance	—	1,015,481	423,668	—	2,869
Scholarships and Fellowships	22,717	—	3,381	—	—
Auxiliary Enterprises	1,500	1,085,228	374,352	14,265	36,127
Total Operating Expenses	\$ 11,469,702	\$ 10,180,071	\$ 6,801,227	\$ 344,507	\$ 229,956

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 102,734	\$ 34,879	\$ 1,012,706	\$ 238,806	\$ 18,023,070
Academic Support	—	120	673,308	123,807	2,660,935
Student Services	78,336	8,381	1,963,186	139,592	5,836,873
Institutional Support	300	8,912	1,329,591	142,405	5,382,060
Plant Operations and Maintenance	—	768,533	4,422,415	2,076,533	8,709,499
Scholarships and Fellowships	6,882,143	—	—	—	6,908,241
Auxiliary Enterprises	—	8,879	1,928,123	229,793	3,678,267
Total Operating Expenses	\$ 7,063,513	\$ 829,704	\$ 11,329,329	\$ 2,950,936	\$ 51,198,945

Note 19 Subsequent Event

As of June 30, 2024, Dalton State College had no known subsequent events to report.

Required Supplementary Information

**DALTON STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
FOR THE LAST TEN FISCAL YEARS**

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2024	\$ 921	\$ 921	\$ —	\$ —	—%
	June 30, 2023	\$ —	\$ —	\$ —	\$ —	—%
	June 30, 2022	\$ 18,436	\$ 18,436	\$ —	\$ 74,850	24.63%
	June 30, 2021	\$ 18,150	\$ 18,150	\$ —	\$ 73,600	24.66%
	June 30, 2020	\$ 11,869	\$ 11,869	\$ —	\$ 48,267	24.59%
	June 30, 2019	\$ 2,958	\$ 2,958	\$ —	\$ 12,855	23.01%
	June 30, 2018	\$ —	\$ —	\$ —	\$ —	—%
	June 30, 2017	\$ —	\$ —	\$ —	\$ —	—%
	June 30, 2016	\$ —	\$ —	\$ —	\$ —	—%
	June 30, 2015	\$ —	\$ —	\$ —	\$ —	—%

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Teachers Retirement System	June 30, 2024	\$ 2,314,437	\$ 2,314,437	\$ —	\$ 11,566,135	20.01%
	June 30, 2023	\$ 2,230,835	\$ 2,230,835	\$ —	\$ 11,248,305	19.83%
	June 30, 2022	\$ 2,149,780	\$ 2,149,780	\$ —	\$ 10,828,212	19.85%
	June 30, 2021	\$ 2,083,806	\$ 2,083,806	\$ —	\$ 10,961,370	19.01%
	June 30, 2020	\$ 2,420,639	\$ 2,420,639	\$ —	\$ 11,435,151	21.17%
	June 30, 2019	\$ 2,241,097	\$ 2,241,097	\$ —	\$ 10,712,985	20.92%
	June 30, 2018	\$ 1,812,123	\$ 1,812,123	\$ —	\$ 10,783,612	16.80%
	June 30, 2017	\$ 1,512,859	\$ 1,512,859	\$ —	\$ 10,538,412	14.36%
	June 30, 2016	\$ 1,518,465	\$ 1,518,465	\$ —	\$ 10,640,960	14.27%
	June 30, 2015	\$ 1,322,163	\$ 1,322,163	\$ —	\$ 10,033,388	13.18%

**DALTON STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE THE NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST TEN FISCAL YEARS**

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employee's Retirement System	June 30, 2024	0.001712%	102,131	0	—%	71.20%
	June 30, 2023	0.004436%	\$ 296,257	\$ 74,850	395.80%	67.44%
	June 30, 2022	0.003607%	\$ 84,364	73,600	114.63%	87.62%
	June 30, 2021	0.001914%	\$ 80,674	\$ 48,267	167.14%	76.21%
	June 30, 2020	0.000474%	\$ 19,560	\$ 12,855	152.16%	76.74%
	June 30, 2019	0.000728%	\$ 29,928	\$ 12,855	232.81%	76.68%
	June 30, 2018	—%	\$ —	\$ —	—%	—%
	June 30, 2017	—%	\$ —	\$ —	—%	—%
	June 30, 2016	—%	\$ —	\$ —	—%	—%
	June 30, 2015	—%	\$ —	\$ —	—%	—%

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System	June 30, 2024	0.077170%	22,783,898	11,248,305	202.55%	76.29%
	June 30, 2023	0.080110%	26,013,266	10,828,212	240.24%	72.85%
	June 30, 2022	0.084283%	\$ 7,454,269	\$ 10,961,370	68.00%	92.03%
	June 30, 2021	0.087981%	\$ 21,312,442	\$ 11,435,151	186.38%	77.01%
	June 30, 2020	0.088016%	\$ 18,925,820	\$ 10,712,985	176.66%	78.56%
	June 30, 2019	0.090369%	\$ 16,774,422	\$ 10,783,612	155.55%	80.27%
	June 30, 2018	0.091764%	\$ 17,054,622	\$ 10,538,412	161.83%	79.33%
	June 30, 2017	0.096674%	\$ 19,944,924	\$ 10,640,960	187.44%	76.06%
	June 30, 2016	0.094993%	\$ 14,461,741	\$ 10,033,388	144.14%	81.44%
	June 30, 2015	0.092238%	\$ 11,653,055	\$ 9,410,098	123.84%	84.03%

**DALTON STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Changes of assumptions

Employees' Retirement System:

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to the rates of mortality, retirement, withdrawal, and salary increases. This also included a change in the long-term assumed investment rate of return to 7.00%. These assumption changes were first reflected in the calculation of the June 30, 2021 Total Pension Liability.

On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the Actuarial Accrued Liability and Normal Cost of the System will include a prefunded variable Cost-of-Living Adjustment (COLA) for eligible retirees and beneficiaries of the System. Under the new policy, future COLAs are provided through a profit-sharing mechanism using the System's asset performance. After studying the parameters of this new policy, the assumption for future COLAs was set at 1.05%. Previously, no future COLAs were assumed. In addition, the funding policy set the assumed rate of return at 7.20% for the June 30, 2021 valuation and established a new Transitional Unfunded Actuarial Accrued Liability as of June 30, 2021 which will be amortized over a closed 20-year period.

Teachers Retirement System:

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, withdrawal and salary increases.

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.

On May 11, 2022, the Board adopted recommended changes to the long-term assumed rate of return and payroll growth assumption utilized by the System. The long-term assumed rate of return was changed from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

**DALTON STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST EIGHT FISCAL YEARS***

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2024	\$ 617,212	\$ 617,212	\$ —	\$ 20,543,743	3.00%
June 30, 2023	\$ 681,528	\$ 681,528	\$ —	\$ 19,650,515	3.47%
June 30, 2022	\$ 1,045,178	\$ 1,045,178	\$ —	\$ 20,082,696	5.20%
June 30, 2021	\$ 828,588	\$ 828,588	\$ —	\$ 19,489,858	4.25%
June 30, 2020	\$ 747,714	\$ 747,714	\$ —	\$ 20,152,238	3.71%
June 30, 2019	\$ 1,187,712	\$ 1,187,712	\$ —	\$ 19,386,822	6.13%
June 30, 2018	\$ 1,193,047	\$ 1,193,047	\$ —	\$ 18,981,396	6.29%
June 30, 2017	\$ 757,225	\$ 757,225	\$ —	\$ 18,166,082	4.17%

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

**DALTON STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SEVEN FISCAL YEARS***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2024	0.671548%	\$ 21,337,414	\$ 19,650,515	108.58%	6.44%
June 30, 2023	0.714198%	\$ 28,291,683	\$ 20,082,696	140.88%	5.08%
June 30, 2022	0.705898%	\$ 35,528,415	\$ 19,489,858	182.29%	3.74%
June 30, 2021	0.727405%	\$ 38,797,741	\$ 20,152,238	192.52%	2.91%
June 30, 2020	0.740547%	\$ 33,114,063	\$ 19,386,822	170.81%	3.13%
June 30, 2019	0.753091%	\$ 33,216,970	\$ 18,981,396	175.00%	1.69%
June 30, 2018	0.760389%	\$ 32,086,331	\$ 18,166,082	176.63%	0.19%

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

**DALTON STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,00 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result of the constant HRA amount from 2016 through 2023, and the decrease in HRA and amount effective January 1, 2024 that was approved by the Board of Regents on August 8, 2023.

Changes in Plan Since Prior Valuation

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.

Supplementary Information

**DALTON STATE COLLEGE
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2024
(UNAUDITED)**

ASSETS

Cash and Cash Equivalents	\$	4,270,076.27
Accounts Receivable		
Federal Financial Assistance		996,780.73
Other		6,058,844.34
Prepaid Expenditures		65,733.50
Inventories		8,090.25
Other Assets		121,500.00
		<hr/>
Total Assets	\$	11,521,025.09
		<hr/> <hr/>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	\$	54,722.54
Encumbrance Payable		4,501,281.95
Accounts Payable		590,940.13
Unearned Revenue		822,052.02
Funds Held for Others		12,017.15
		<hr/>
Total Liabilities		5,981,013.79

Fund Balances

Reserved		
Department Sales and Services		94,310.35
Indirect Cost Recoveries		164,756.75
Technology Fees		273,529.16
Restricted/Sponsored Funds		4,467,640.31
Uncollectible Accounts Receivable		185,302.73
Inventories		9,749.99
Tuition Carry - Forward		337,521.09
Unreserved		
Surplus		7,200.92
		<hr/>
Total Fund Balances		5,540,011.30

Total Liabilities and Fund Balances	\$	11,521,025.09
		<hr/> <hr/>

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

DALTON STATE COLLEGE
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Funds Available Compared to Budget			
	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over
Public Service / Special Funding Initiatives				
State Appropriation				
State General Funds	\$ —	\$ 119,664.00	\$ 119,664.00	\$ —
Teaching				
State Appropriation				
State General Funds	\$ 19,915,892.00	\$ 21,090,361.00	\$ 21,090,361.00	\$ —
Federal Funds				
Federal Funds Not Specifically Itemized	12,784,991.00	17,775,227.00	16,552,140.77	0.00
Other Funds	13,496,232.00	21,825,432.00	19,145,832.24	5,292,792.96
Total Teaching	<u>46,197,115.00</u>	<u>60,691,020.00</u>	<u>56,788,334.01</u>	<u>5,292,792.96</u>
Total Operating Activity	<u>\$ 46,197,115.00</u>	<u>\$ 60,810,684.00</u>	<u>\$ 56,907,998.01</u>	<u>\$ 5,292,792.96</u>

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

DALTON STATE COLLEGE
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	\$ —	\$ 119,664.00	\$ —	\$ 119,664.00	\$ —	\$ —
Teaching						
State Appropriation						
State General Funds	—	21,090,361.00	—	21,089,581.03	779.97	779.97
Federal Funds						
Federal Funds Not Specifically Itemized		16,552,140.77	-1,223,086.23	16,552,140.77	1,223,086.23	0.00
Other Funds	0.00	24,438,625.20	2,613,193.20	19,057,866.85	2,767,565.15	5,380,758.35
Total Teaching	0.00	62,081,126.97	1,390,106.97	56,699,588.65	3,991,431.35	5,381,538.32
Total Operating Activity	\$ —	\$ 62,200,790.97	\$ 1,390,106.97	\$ 56,819,252.65	\$ 3,991,431.35	\$ 5,381,538.32

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

**DALTON STATE COLLEGE
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2023 Surplus	Prior Year Adjustments	Other Adjustments
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —
Teaching					
State Appropriation					
State General Funds	\$ 5,907.03	\$ —	\$ (5,907.03)	\$ 750.80	\$ (715.00)
Federal Funds					
Federal Funds Not Specifically Not Itemized	—	—	—	—	—
Other Funds	5,337,413.68	(5,292,792.96)	(44,620.72)	(6,489.55)	(30,125.99)
Total Teaching	5,343,320.71	(5,292,792.96)	\$ (50,527.75)	(5,738.75)	(30,840.99)
Total Operating Activity	5,343,320.71	(5,292,792.96)	\$ (50,527.75)	(5,738.75)	(30,840.99)
Prior Year Reserves					
Not Available for Expenditure					
Inventories	9,034.99				715.00
Uncollectible Accounts Receivable	155,176.74				30,125.99
Budget Unit Totals	<u>\$ 5,507,532.44</u>	<u>(5,292,792.96)</u>	<u>\$ (50,527.75)</u>	<u>\$ (5,738.75)</u>	<u>\$ —</u>

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

**DALTON STATE COLLEGE
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Early Return of Fiscal Year 2024 Surplus	Excess (Deficiency) of Funds Available Over/Under Expenditures	Ending Fund Balance/(Deficit) June 30, 2024	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Teaching						
State Appropriation						
State General Funds	\$ —	\$ 779.97	\$ 815.77	\$ —	\$ 815.77	\$ 815.77
Federal Funds						
Federal Funds Not Itemized-Covid	—	—	—	—	—	—
Other Funds	—	5,380,758.35	5,344,142.81	5,337,757.66	6,385.15	5,344,142.81
Total Teaching	—	5,381,538.32	5,344,958.58	5,337,757.66	7,200.92	5,344,958.58
Total Operating Activity	—	5,381,538.32	5,344,958.58	5,337,757.66	7,200.92	5,344,958.58
Prior Year Reserves						
Not Available for Expenditure						
Inventories			9,749.99	9,749.99		9,749.99
Uncollectible Accounts Receivable			185,302.73	185,302.73		185,302.73
Budget Unit Totals	\$ —	\$ 5,381,538.32	\$ 5,540,011.30	\$ 5,532,810.38	\$ 7,200.92	\$ 5,540,011.30
				94,310.35	—	94,310.35
				164,756.75	—	164,756.75
				273,529.16	—	273,529.16
				4,467,640.31	—	4,467,640.31
				337,521.09	—	337,521.09
				185,302.73	—	185,302.73
				9,749.99	—	9,749.99
				—	7,200.92	7,200.92
				\$ 5,532,810.38	\$ 7,200.92	\$ 5,540,011.30

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

DALTON STATE COLLEGE

650 College Drive
Dalton, GA 30720
706-272-4436

www.daltonstate.edu