SOUTH GEORGIA STATE COLLEGE
Douglas, Georgia

Annual Financial Report
Fiscal Year 2024

SOUTH GEORGIA STATE COLLEGE
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For the Fiscal Year Ended June 30, 2024

Introductory Section

Letter of Transmittal

August 1, 2024

To: Dr. Greg Tanner, Interim President
South Georgia State College

The Annual Financial Report (AFR) for South Georgia 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.

South Georgia State College's 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 Institution'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 College's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the Institution's management. The audit of the College's financial assistance programs is performed by the DOAA in conjunction with the statewide Single Audit.

Sincerely,

Michelle B. Ham, CPA
Vice President for Fiscal Affairs and Administration

Financial Section

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Regents of the
University System of Georgia
and
Dr. Greg Tanner, Interim President
South Georgia State College

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of South Georgia 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 South Georgia 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.

270 Washington Street, SW, Suite 4-101 Atlanta, Georgia 30334 | Phone (404) 656-2180

Required Supplementary Information

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

Other Matters

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

This review report contains information pertinent to South Georgia State College's compliance with the requirements of the Southern Association of Colleges and Schools Commission on Colleges (COC) Standard 13.2 (Financial resources) as of and for the year ended June 30, 2024. Additionally, we performed procedures on South Georgia State College's Federal Student Aid programs for the year ended June 30, 2024, to meet the requirements of COC Standard 13.6. Included in a separate Report on Review and Federal Compliance Procedures is a section on findings and other items for any matters that came to our attention during our engagement, including results of our testing of the Federal Student Aid programs.

Additionally, we have performed certain procedures at South Georgia 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 South Georgia State College, members of the Board of Regents of the University System of Georgia and the Southern Association of Colleges and Schools – Commission on Colleges and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Greg S. Griffin

Greg S. Griffin
State Auditor

November 5, 2024

SOUTH GEORGIA STATE COLLEGE
Management's Discussion and Analysis

Introduction
South Georgia State College (College) (SGSC) is one of the 26 institutions of higher education of the University System of Georgia. The College, located in Douglas, Georgia and Waycross, Georgia, was founded in 1906. SGSC has become known for its student-centered environment which offers high-quality, affordable associate and select baccalaureate degree programs. The institution provides innovative teaching and learning experiences, a rich array of student activities and athletic programs, and access to unique ecological sites and residential options to create a diverse, globally-focused and supportive learning environment. The College offers five baccalaureate degrees in a wide variety of subjects. Associate degrees are also offered in over 20 transfer pathways of study. Known as a state college within the University System of Georgia, the potential exists for SGSC to offer additional baccalaureate degrees in the future. This broad range of educational opportunities attracts a highly qualified faculty and a student body of more than 1,800 students for the academic year 2024. The institution's headcount continues to grow as shown by the comparison numbers that follow.

	FACULTY	STUDENT HEADCOUNT	STUDENT FTE
FY 2024	96	1,853	1,537
FY 2023	94	1,794	1,509
FY 2022	87	1,774	1,459

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 for business-type activities.

Statement of Net Position
The Statement of Net Position is a financial condition snapshot as of June 30, 2024 and includes all assets and 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 and deferred outflows of resources and liabilities and deferred inflows of resources (net position) is one indicator of the College's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the College's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories. The first category, 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. Unrestricted resources are available to the College for any lawful purpose.

CONDENSED STATEMENT OF NET POSITION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
ASSETS				
Current Assets	$ 9,258,738	$ 10,051,094	$ (792,356)	(7.88)%
Capital Assets, Net	43,808,416	43,435,762	372,654	0.86 %
Intangible Right-to-Use Assets, Net	0	2,056	(2,056)	(100.00)%
Other Assets	902,895	897,940	4,955	0.55 %
TOTAL ASSETS	$ 53,970,049	$ 54,386,852	$ (416,803)	(0.77)%
DEFERRED OUTFLOWS	$ 8,114,562	$ 12,251,578	$ (4,137,016)	(33.77)%
LIABILITIES				
Current Liabilities	$ 3,516,450	$ 2,592,956	$ 923,494	35.62 %
Non-Current Liabilities	55,521,425	62,164,138	(6,642,713)	(10.69)%
TOTAL LIABILITIES	$ 59,037,875	$ 64,757,094	$ (5,719,219)	(8.83)%
DEFERRED INFLOWS	$ 8,614,234	$ 7,530,035	$ 1,084,199	14.40 %
NET POSITION				
Net Investment in Capital Assets	$ 15,941,336	$ 14,489,889	$ 1,451,447	10.02 %
Restricted, Non-Expendable	311,627	311,627	—	— %
Restricted, Expendable	2,733,637	2,480,927	252,710	10.19 %
Unrestricted	(24,554,098)	(22,931,142)	(1,622,956)	(7.08)%
TOTAL NET POSITION	$ (5,567,498)	$ (5,648,699)	$ 81,201	1.44 %

Total assets decreased $-416,803 which was mostly due to a decrease in current assets of $-792,356, an increase in net capital assets of $372,654, and an increase in other assets of $4,955. The overall decrease in unrestricted cash was mostly driven by spending for maintenance and renovation costs. Accounts receivables increased due to the timing on collecting amounts due from sponsored grants and contracts, Georgia State Financing and Investment Commission for MRR projects, and affiliated organizations.

Total deferred outflows of resources decreased by $-4,137,016 which was primarily due to the College's proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

Total liabilities decreased $-5,719,219 which was due to an increase in current liabilities of $923,494 and a decrease in non-current liabilities of $-6,642,713. Non-current liabilities' decrease of $-6,642,713 and Net pension liability decrease of $-1,534,437 were both caused primarily by change in the College's proportionate share of the actuarially determined liability for defined benefit plans administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia and the decrease in the Net Other Post Employment Benefits liability decrease of $-3,859,855.

Total deferred inflows of resources increased by $1,084,199 which was primarily due to the College's proportionate share of the actuarially determined deferred gain on the Net Other Post Employment Benefits Plan liability.

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 $81,201. This change in net position is primarily in the category of Net Investment in Capital Assets, an increase in the amount of $1,451,447 netted with the decrease of $-1,622,956 in the category of Unrestricted Net Position.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of 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.

The following table summarizes Revenues, Expenses, and Changes in Net Position:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Operating Revenue	$ 4,877,428	$ 5,225,999	$ (348,571)	(6.67)%
Operating Expense	27,816,482	30,489,659	(2,673,177)	(8.77)%
Operating Income/Loss	$ (22,939,054)	$ (25,263,660)	$ 2,324,606	9.20 %
Non-Operating Revenue and Expense	22,460,068	27,386,759	(4,926,691)	(17.99)%
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	$ (478,986)	$ 2,123,099	$ (2,602,085)	(122.56)%
Other Revenues, Expenses, Gains, Losses and Special Items	560,187	821,081	(260,894)	(31.77)%
Change in Net Position	$ 81,201	$ 2,944,180	$ (2,862,979)	(97.24)%
Net Position at beginning of year	(5,648,699)	(8,592,879)	2,944,180	34.26 %
Net Position at End of Year	$ (5,567,498)	$ (5,648,699)	$ 81,201	1.44 %

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

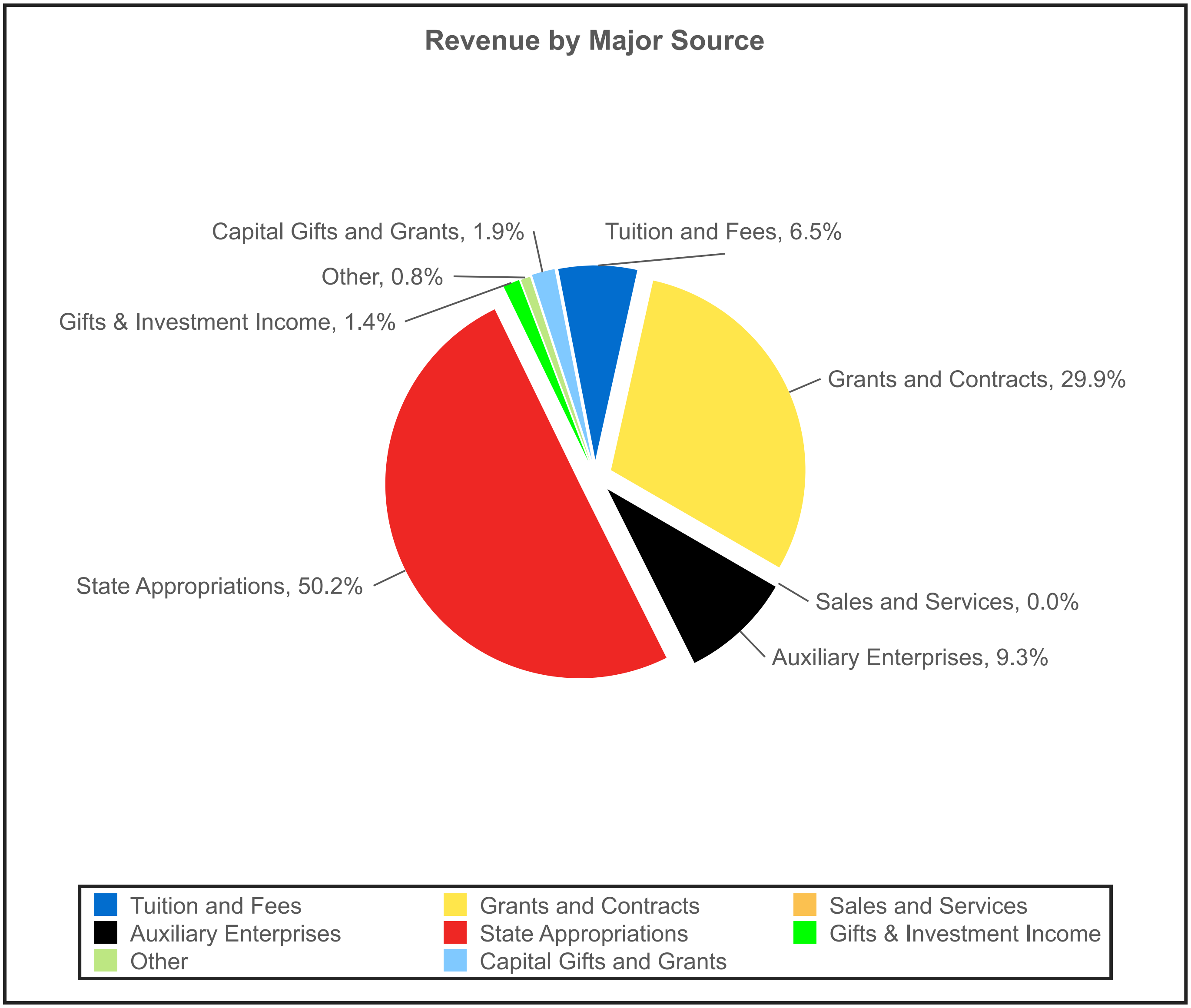
Revenues

In fiscal year 2024, state appropriations decreased $-136,375 (-0.93%) due to prior period credit hour production declines and revised calculations for Scholarship Allowances and Discounts; grants and contracts revenue decreased $-5,010,857 (-36.55%) in fiscal year 2024, mainly due to the grant term ending for the CARES/HEERF Federal COVID relief offered by the Federal government this year; net tuition and fee revenues increased $37,488 (2.01%).

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	$ 1,900,795	$ 1,863,307	$ 37,488	2.01 %
Grants and Contracts	48,461	49,557	(1,096)	(2.21)%
Sales and Services	92	2,011	(1,919)	(95.43)%
Auxiliary Enterprises	2,691,597	3,036,002	(344,405)	(11.34)%
Other Operating Revenues	236,483	275,122	(38,639)	(14.04)%
Total Operating Revenues	$ 4,877,428	$ 5,225,999	$ (348,571)	(6.67)%
State Appropriations	14,599,260	14,735,635	(136,375)	(0.93)%
Grants and Contracts	8,650,379	13,660,140	(5,009,761)	(36.67)%
Gifts	208,892	110,811	98,081	88.51 %
Investment Income	195,077	118,679	76,398	64.37 %
Other Nonoperating Revenues	1,218	(1,633)	2,851	174.59 %
Total Nonoperating Revenues	$ 23,654,826	$ 28,623,632	$ (4,968,806)	(17.36)%
State Capital Gifts and Grants	560,187	821,081	(260,894)	(31.77)%
Total Capital Gifts and Grants	$ 560,187	$ 821,081	$ (260,894)	(31.77)%
Total Revenues	$ 29,092,441	$ 34,670,712	$ (5,578,271)	(16.09)%

Revenue by source (state appropriations, grants and contracts, tuition and fees, auxiliaries, gifts, and other sources is depicted by the following chart:



Expenses

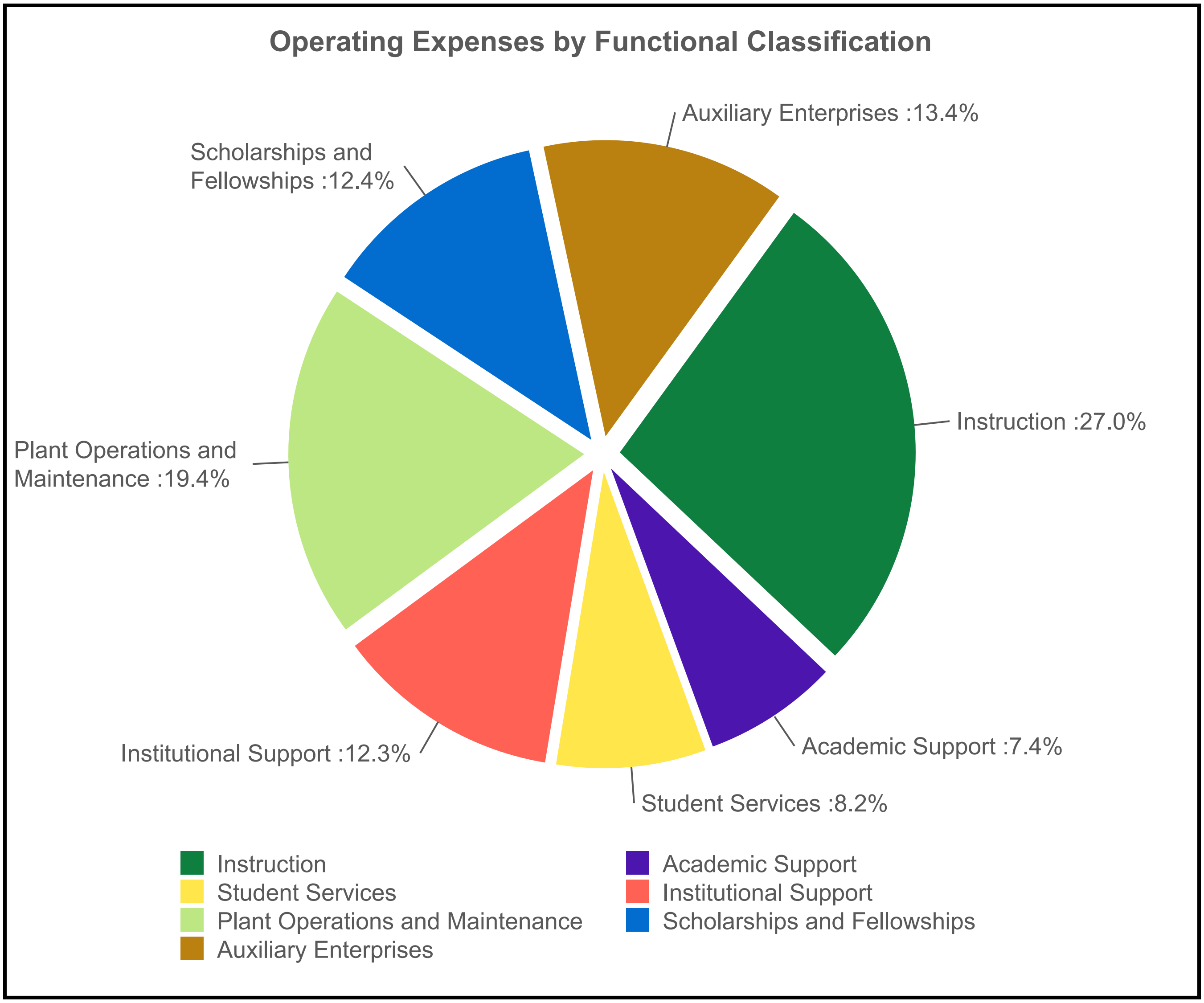
For the years ended June 30, 2024 and June 30, 2023, expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2024	June 30, 2023	Increase/ (Decrease)	% Change
Instruction	$ 7,522,182	$ 7,817,558	$ (295,376)	(3.78)%
Public Service	—	3,038	(3,038)	(100.00)%
Academic Support	2,052,874	2,774,410	(721,536)	(26.01)%
Student Services	2,272,657	2,448,386	(175,729)	(7.18)%
Institutional Support	3,426,474	3,737,735	(311,261)	(8.33)%
Plant Operations and Maintenance	5,383,631	6,286,607	(902,976)	(14.36)%
Scholarships and Fellowships	3,441,577	4,320,399	(878,822)	(20.34)%
Auxiliary Enterprises	3,717,087	3,101,526	615,561	19.85 %
Total Operating Expenses	$ 27,816,482	$ 30,489,659	$ (2,673,177)	(8.77)%
Interest Expense	1,194,758	1,236,873	(42,115)	(3.40)%
Total Nonoperating Expenses	1,194,758	1,236,873	$ (42,115)	(3.40)%
Total Expenses	$ 29,011,240	$ 31,726,532	$ (2,715,292)	(8.56)%

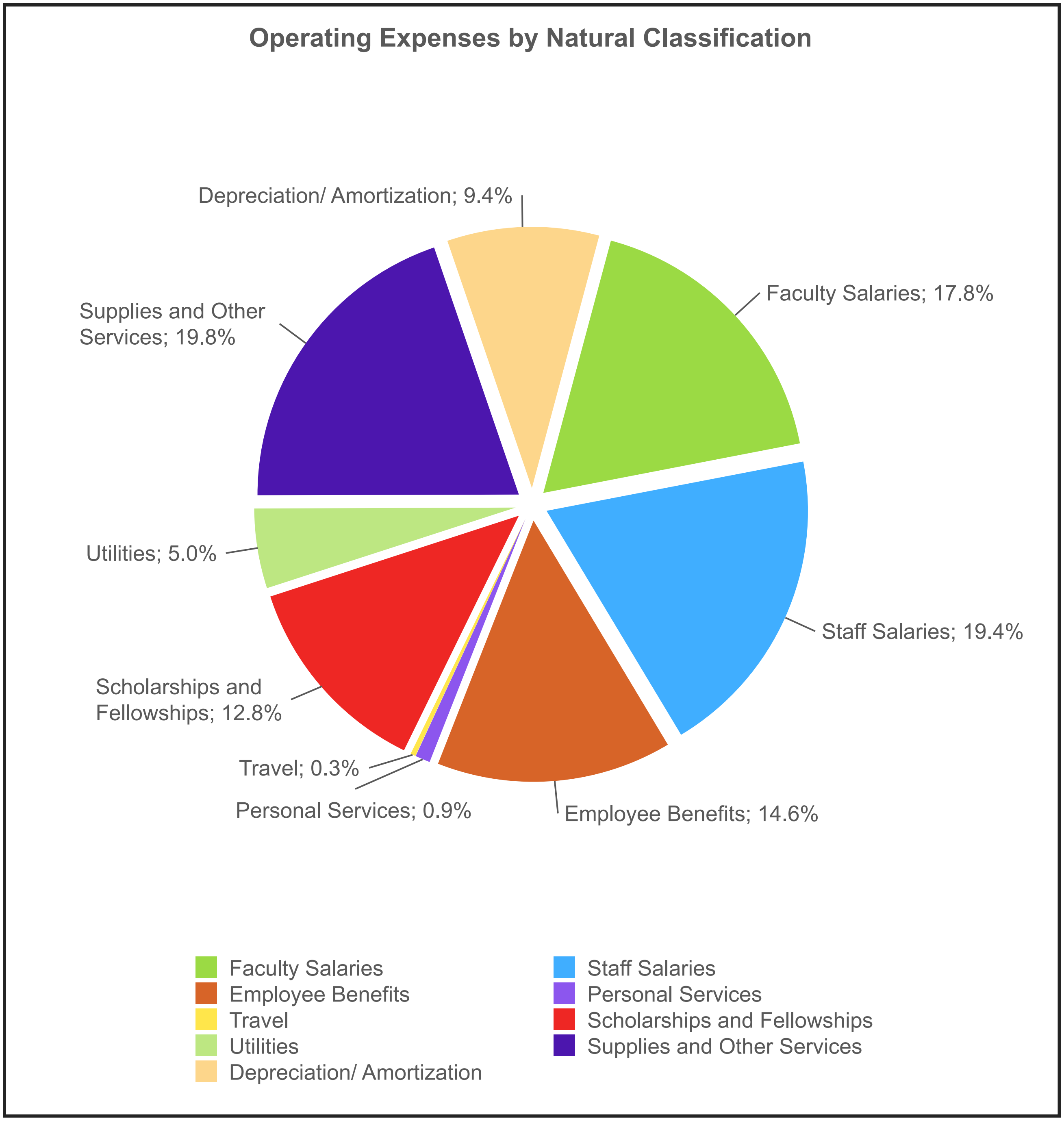
Total operating expenses were $27,816,482 in fiscal year 2024, a decrease of $-2,673,177 (-8.77%) when compared with fiscal year 2023. These decreases are primarily attributable to the following functional classifications: Instruction ($-295,376); Academic Support ($-721,536); Student Services ($-175,729); Institutional Support ($-311,261); Plant Operations and Maintenance ($-902,976); and Scholarships ($-878,822). These amounts were partially offset by an increase in Auxiliaries ($615,561).

As noted above, operating expenses decreased $-2,673,177 (-8.77%) in fiscal year 2024 when compared with fiscal year 2023. The decreases were substantially attributable to personal services, scholarship expenses, and supplies and other services. The decrease in scholarships is primarily because we had exhausted all of our COVID 19-related HEERF Federal grant scholarships before fiscal year 2024. Other expense reductions were mostly the result of reduced operating budgets in fiscal year 2024.

The following chart depicts the fiscal year 2024 Operating Expenses by Functional Classification:



The following chart depicts the fiscal year 2024 Operating Expenses by Natural Classification:



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 year 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	$ (20,254,123)	$ (21,967,573)
Non-Capital Financing Activities	23,516,409	26,081,746
Capital and Related Financing Activities	(5,535,082)	(2,625,409)
Investing Activities	340,120	74,239
NET CHANGE IN CASH	$ (1,932,676)	$ 1,563,003
Cash, beginning of year	7,055,665	5,492,661
CASH, end of year	$ 5,122,989	$ 7,055,664

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	June 30, 2024	June 30, 2023	Increase (Decrease)	% Change
Land	$ 554,182	$ 554,182	$ —	0.00 %
Construction Work-in-Progress	1,800,373	358,815	1,441,558	401.76 %
Infrastructure	1,364,836	1,438,612	(73,776)	(5.13)%
Building and Building Improvements	35,911,643	37,655,881	(1,744,238)	(4.63)%
Facilities and Other Improvements	669,309	704,289	(34,980)	(4.97)%
Equipment	3,491,809	2,703,814	787,995	29.14 %
Library Collections	16,264	20,169	(3,905)	(19.36)%
Capital Assets, net of accumulated depreciation	$ 43,808,416	$ 43,435,762	$ 372,654	0.86 %

The College had several significant capital additions for Construction Work-in-Progress (CWIP) in fiscal year 2024. The major projects that were added in this year's CWIP were: Collins Hall HVAC Renovation of $265,534; Engram Hall HVAC Upgrades of $293,161; Peterson Hall Renovations of $504,664; and Waycross Gym Renovations of $397,088. Another significant change this fiscal year for Capital Assets was the over $1.4 million additions to capitalized equipment.

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
Equipment	$ —	$ 2,056	(2,056)	(100.00)%
Intangible Right-to-Use Assets, net of accumulated amortization	$ —	$ 2,056	$ (2,056)	(100.00)%

For additional information concerning Capital and Intangible Right-to-Use Assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

Long Term Liabilities

South Georgia State College had Long-Term Liabilities of $29,243,739 of which $1,669,487 was reflected as a current liability at June 30, 2024. For additional information concerning Long-Term Liabilities, see Note 8 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 postemployment benefits, capital assets and a report of operating expenses by function.

Economic Outlook

South Georgia State College is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year, beyond those having a global effect on virtually all types of business operations, and the item noted in Note 19 Subsequent Events regarding damages caused to campus by Hurricane Helene. The College's overall financial position remains steady. The College will continue to carefully monitor economic, enrollment, and environmental conditions in order to respond swiftly and effectively to any upcoming changes.

Financial Statements (GAAP Basis)

SOUTH GEORGIA STATE COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

		South Georgia State College
ASSETS		
Current Assets		
Cash and Cash Equivalents	$	4,940,132
Cash and Cash Equivalents (Externally Restricted)		32,857
Accounts Receivable, net		
Federal Financial Assistance		64,386
Affiliated Organizations		6,870
Other		3,803,025
Inventories		215,575
Prepaid Items		195,893
Total Current Assets	$	9,258,738
Non-Current Assets		
Accounts Receivable, net		
Due From USO - Capital Liability Reserve Fund	$	266,644
Investments		72,901
Notes Receivable, net		49,272
Non-current Cash (Externally Restricted)		150,000
Investments (Externally Restricted)		364,078
Capital Assets, net		43,808,416
Total Non-Current Assets	$	44,711,311
TOTAL ASSETS	$	53,970,049
DEFERRED OUTFLOWS OF RESOURCES	$	8,114,562

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

SOUTH GEORGIA STATE COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

		South Georgia State College
LIABILITIES		
Current Liabilities		
Accounts Payable	$	689,693
Salaries Payable		54,575
Benefits Payable		42,956
Contracts Payable		445,705
Retainage Payable		93,966
Advances (Including Tuition and Fees)		443,974
Deposits		76,094
Notes and Loans Payable		1,260,610
Compensated Absences		408,877
Total Current Liabilities	$	3,516,450
Non-Current Liabilities		
Due to USO - Capital Liability Reserve Fund	$	199,983
Notes and Loans Payable		27,413,479
Compensated Absences		160,773
Net Other Post Employment Benefits Liability		11,882,835
Net Pension Liability		15,864,355
Total Non-Current Liabilities	$	55,521,425
TOTAL LIABILITIES	$	59,037,875
DEFERRED INFLOWS OF RESOURCES	$	8,614,234
NET POSITION		
Net Investment in Capital Assets	$	15,941,336
Restricted for:		
Nonexpendable		311,627
Expendable		2,733,637
Unrestricted (Deficit)		(24,554,098)
TOTAL NET POSITION	$	(5,567,498)

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

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

		South Georgia State College
OPERATING REVENUES		
Student Tuition and Fees (net)	$	1,900,795
Grants and Contracts		
Federal		26,426
State		22,035
Sales and Services		92
Rents and Royalties		17,014
Auxiliary Enterprises		
Residence Halls		1,162,467
Bookstore		468,651
Food Services		742,540
Parking/Transportation		37,501
Intercollegiate Athletics		231,344
Other Organizations		49,094
Other Operating Revenues		219,469
Total Operating Revenues	$	4,877,428
OPERATING EXPENSES		
Faculty Salaries	$	4,955,289
Staff Salaries		5,404,826
Employee Benefits		4,050,071
Other Personal Services		260,180
Travel		92,504
Scholarships and Fellowships		3,551,127
Utilities		1,378,956
Supplies and Other Services		5,504,576
Depreciation and Amortization		2,618,953
Total Operating Expenses	$	27,816,482
Operating Income (Loss)	$	(22,939,054)

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

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

		South Georgia State College
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	$	14,599,260
Grants and Contracts		
Federal		6,588,393
State		1,661,601
Other		400,385
Gifts		208,892
Investment Income		195,077
Interest Expense		(1,194,758)
Other Nonoperating Revenues (Expenses)		1,218
Net Nonoperating Revenues	$	22,460,068
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	$	(478,986)
Capital Grants and Gifts		
State	$	560,187
Total Other Revenues, Expenses, Gains or Losses	$	560,187
Change in Net Position	$	81,201
Net Position, Beginning of Year	$	(5,648,699)
Net Position, End of Year	$	(5,567,498)

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

SOUTH GEORGIA STATE COLLEGE
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024

		South Georgia State College
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from Customers	$	4,954,870
Grants and Contracts (Exchange)		(34,383)
Payments to Suppliers		(11,151,980)
Payments to Employees		(10,471,503)
Payments for Scholarships and Fellowships		(3,551,127)
Net Cash Used by Operating Activities	$	(20,254,123)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State Appropriations	$	14,599,260
Gifts and Grants Received for Other Than Capital Purposes		8,917,149
Net Cash Flows Provided by Non-Capital Financing Activities	$	23,516,409
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Gifts and Grants Received	$	(623,648)
Proceeds from Sale of Capital Assets		1,218
Purchases of Capital and Intangible Right-to-Use Assets		(2,561,968)
Principal Paid on Capital Debt and Leases		(1,210,808)
Interest Paid on Capital Debt and Leases		(1,139,876)
Net Cash Used by Capital and Related Financing Activities	$	(5,535,082)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	$	178,513
Investment Income		161,607
Net Cash Provided by Investing Activities	$	340,120
Net Decrease in Cash and Cash Equivalents	$	(1,932,676)
Cash and Cash Equivalents, Beginning of Year (Restated)		7,055,665
Cash and Cash Equivalents, End of Year	$	5,122,989

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

SOUTH GEORGIA STATE COLLEGE
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024

	South Georgia State College
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	$ (22,939,054)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation and Amortization	2,618,953
Change in Assets and Liabilities:	
Receivables, net	(155,129)
Inventories	42,061
Prepaid Items	(76,059)
Accounts Payable	379,160
Salaries Payable	(50,119)
Benefits Payable	4,862
Contracts Payable	93,199
Deposits	27,573
Advances (Including Tuition and Fees)	25,543
Compensated Absences	31,235
Due to Affiliated Organizations	(28,389)
Net Pension Liability	(1,534,437)
Other Post-Employment Benefit Liability	(3,859,855)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	1,084,199
Deferred Outflows of Resources	4,082,134
Net Cash Used by Operating Activities	$ (20,254,123)
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND	
RELATED FINANCING TRANSACTIONS	
Noncapital Financing Activities Noncash Items:	
Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	$ 2,262,032
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	$ 24,765
Capital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	$ 1,245,081
Accrual of Capital Asset Related Payables	$ 446,472
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	$ (54,882)
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	$ 33,470

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

SOUTH GEORGIA STATE COLLEGE
STATEMENT OF FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024

	Custodial Funds
ASSETS	
Receivables	
Other	$ 465,267
Total Assets	$ 465,267
LIABILITIES	
Cash Overdraft	$ 435,269
Accounts Payable	1,140
Deposits held for other organizations	25
Total Liabilities	$ 436,434
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	$ 28,833

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

		Custodial Funds
ADDITIONS		
Federal Financial Aid	$	3,760,566
State Financial Aid		1,823,879
Clubs and Other Organizations Fund Raising		27,240
Total Additions	$	5,611,685
DEDUCTIONS		
Scholarships and Other Student Support	$	5,578,209
Student Organizations Support		27,230
Total Deductions	$	5,605,439
Net Increase (Decrease) in Fiduciary Net Position	$	6,246
Net Position, Beginning of Year	$	22,587
Net Position, End of Year	$	28,833

Notes to the Financial Statements

SOUTH GEORGIA STATE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 Summary of Significant Accounting Policies

Nature of Operations
South Georgia 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 https://sao.georgia.gov/statewide-reporting/acfr.

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 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 Board of Regents Short-Term Investment Pool. 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.

Investments
Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Legal Fund and the Board of Regents Diversified Fund are included as investments. Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Assets 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 for 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 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.

An intangible right-to-use asset represents the College's right to use an underlying asset for the lease term. Lease obligations represent the College's liability to make lease payments arising from the lease agreement. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds 12 months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments based on future performance or usage are not included in the measurement of the lease liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset. 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.

Compensated Absences
Employee vacation pay is accrued at the end of the fiscal year for financial statement purposes. The liability and expense incurred are recorded at the end of the fiscal year as compensated absences in the Statement of Net

Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Position.

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

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

Other Post-Employment Benefits (OPEB) Liability
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 and intangible right-to-use 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 $3,855,684.

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	$	4,940,132
Cash and Cash Equivalents (Externally Restricted)		32,857
Noncurrent		
Non Current - Investments		72,901
Noncurrent Cash (Externally Restricted)		150,000
Noncurrent Investments (Externally Restricted)		364,078
Statement of Fiduciary Net Position		
Cash and Cash Equivalents/(Cash Overdraft)		(435,269)
	$	5,124,699

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

Cash on Hand	$	3,790
Deposits with Financial Institutions		4,644,203
Investments		476,706
	$	5,124,699

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 an amount of up to 125% if economic or financial conditions warrant. 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 $4,966,418. 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.

GASB Statement No. 72, *Fair Value Measurements and Application* requires fair value measurement be classified and disclosed in one of the following three categories ("Fair Value Hierarchy"):

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies, such as matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investments. Investments classified in Level 3 include guaranteed investment contracts. Guaranteed investment contracts are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

Net Asset Value (NAV) – Investments whose fair value is measured at the NAV are excluded from the fair value hierarchy as a practical expedient to fair value. Investments reported at NAV include real estate funds that invest primarily in U.S. commercial real estate. The fair values of real estate investments in this category have been estimated using the net asset value of the College's ownership interest in partners' capital. Real estate investments are less liquid and, generally, cannot be redeemed with the funds through normal redemption procedures. Distributions from real estate investment funds will be received as the underlying investments of a fund are liquidated.

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

		Fair Value
Investment type:		
Investment Pools		
Board of Regents		
Short-Term Fund	$	39,727
Legal Fund		72,901
Diversified Fund		364,078
Total Investments	$	476,706

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

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified University System participants. These policies are intended to foster sound and prudent responsibility each institution has to the citizens of Georgia and which conforms to the Board of Regents investment policy. All investments must be consistent with donor intent, Board of Regents policy, and applicable Federal and state laws. Units of the University System of Georgia and their affiliated organizations may participate in the Pooled Investment Fund program. The overall character of the pooled fund portfolio should be one of above average quality, possessing, at most, an average degree of investment risk.

The College's position in the pooled investment fund options are described below.

1. Short-Term Fund
   The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between daily and three years, and the fund will typically have an overall average duration of ¾ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the College's position in the Short-Term Fund at June 30, 2024 was $39,727, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.08 years.

2. Legal Fund
   The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides an opportunity for greater return and modest principal growth to the extent possible with the securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between five and ten years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the College's position in the Legal Fund at June 30, 2024 was $72,901, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.65 years.

3. Diversified Fund

The Diversified Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to provide improved return characteristics with reduced volatility through greater diversification. This pool is appropriate for investing longer term funds such as endowments. Permitted investments in the fund may include domestic, international and emerging market equities, domestic fixed income and global fixed income.

The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the College's position in the Diversified Fund at June 30, 2024 was $364,078, of which 26% is invested in debt securities. The Effective Duration of the Fund is 5.06 years.

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The College does not have a formal policy for managing interest rate risk for investments; however the College only invests in USG or state approved investment funds.

Investment Pools	
Board of Regents	
Short-Term Fund	$ 39,727
Legal Fund	72,901
Diversified Fund	364,078
Total Investments	$ 476,706

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

1. In the Short-Term Fund and Legal Fund, all debt issues must be eligible investments under O.C.G.A § 50-17-59 and 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.

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

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	$ 84,043	$ 235
Auxiliary Enterprises and Other Operating Activities	79,201	
Federal Financial Assistance	64,385	37,712
Georgia State Financing and Investment Commission	1,245,081	
Due from Affiliated Organizations	6,870	
Due From Other USG Institutions	294,204	
Other	2,474,938	427,320
	$ 4,248,722	$ 465,267
Less: Allowance for Doubtful Accounts	107,797	
Net Accounts Receivable	$ 4,140,925	$ 465,267

Other accounts receivable includes approximately $2,348,110 of Employee Retention Credit funds.

Note 4 Inventories

Inventories consisted of the following at June 30, 2024:

Consumable Supplies	$ 6,540
Merchandise for Resale	209,035
Total	$ 215,575

Note 5 Notes and Loans Receivable

Notes receivable consists of resources made available for financial loans to students of the College. Allowances for uncollectible loans are reported based on management's best estimate considering type, age, collection history, and other factors considered appropriate. At June 30, 2024, the allowance for uncollectible loans was $49,272.

Note 6 Capital and Intangible Assets 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	$ 554,182			$ 554,182
Construction Work-in-Progress	358,815	$ 1,460,447	$ 18,889	1,800,373
Total Capital Assets Not Being Depreciated	$ 912,997	$ 1,460,447	$ 18,889	$ 2,354,555
Capital Assets, Being Depreciated				
Infrastructure	$ 4,337,853			$ 4,337,853
Building and Building Improvements	84,096,070	$ 115,739		84,211,809
Facilities and Other Improvements	3,068,504			3,068,504
Equipment	6,514,567	1,431,222	$ 19,618	7,926,171
Library Collections	2,215,988	1,032	37,759	2,179,261
Total Capital Assets Being Depreciated	$ 100,232,982	$ 1,547,993	$ 57,377	$ 101,723,598
Less: Accumulated Depreciation				
Infrastructure	$ 2,899,241	$ 73,776		$ 2,973,017
Building and Building Improvements	46,440,189	1,859,977		48,300,166
Facilities and Other Improvements	2,364,215	34,980		2,399,195
Equipment	3,810,753	643,227	$ 19,618	4,434,362
Library Collections	2,195,819	4,937	37,759	2,162,997
Total Accumulated Depreciation	$ 57,710,217	$ 2,616,897	$ 57,377	$ 60,269,737
Total Capital Assets, Being Depreciated, Net	$ 42,522,765	$ (1,068,904)	$ —	$ 41,453,861
Capital Assets, net	$ 43,435,762	$ 391,543	$ 18,889	$ 43,808,416

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 did not transfer any capital additions from GSFIC managed projects this year to the College.

Intangible Right-to-Use Assets

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

	Beginning Balances July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
Intangible Right-to-use Assets, Being Amortized:				
Equipment	$ 7,967			$ 7,967
Total Leased Assets Being Amortized	$ 7,967			$ 7,967
Less: Accumulated amortization				
Equipment	5,911	$ 2,056		7,967
Total Accumulated Amortization	$ 5,911	$ 2,056		$ 7,967
Total Intangible Right-to-use Assets, Being Amortized, Net	2,056	(2,056)		0
Intangible Right-to-use Assets, net	$ 2,056	$ (2,056)	$ —	$ —

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

Fiscal Year	Depreciation & Amortization Expense
2024	$ 2,618,953
2023	$ 2,905,920
2022	$ 2,571,653

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	$ 394,555
Other - Advances	49,419
Totals	$ 443,974

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	$ 1,674	$ —	$ 1,674	$ —	$ —
Other Liabilities					
Compensated Absences	$ 538,415	$ 432,772	$ 401,537	$ 569,650	$ 408,877
Notes and Loans Payable	29,883,223		1,209,134	28,674,089	1,260,610
Total	$ 30,421,638	$ 432,772	$ 1,610,671	$ 29,243,739	$ 1,669,487
Total Long-Term Obligations	$ 30,423,312	$ 432,772	$ 1,612,345	$ 29,243,739	$ 1,669,487

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 $1,209,134 and $1,139,876, respectively. The interest rate is 3.806%.

The College has $28,674,089 in outstanding notes and loans payable due to affiliated 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 Amortization	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	$ 31,340,481	$ 15,586,983	$ 15,753,498	$ 28,674,089
Total Assets Held Under Finance Lease Arrangement	$ 31,340,481	$ 15,586,983	$ 15,753,498	$ 28,674,089

The following schedule lists the pertinent information for each of the College's financing lease agreements:

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal	
SGSC Student Housing	USG Real Estate Foundation V, LLC	22,935,138	23 Years	November, 2017	November, 2040	21,792,523	(1)
SGSC Dining Hall	USG Real Estate Foundation V, LLC	5,974,198	23 Years	November, 2017	November, 2040	4,587,934	(1)
SGSC Student Center	USG Real Estate Foundation V, LLC	2,431,145	23 Years	November, 2017	November, 2040	2,293,632	(1)
Total Financed Leases		$ 31,340,481				$ 28,674,089	

(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.

	Principal	Interest
Year Ending June 30:		
2025	$ 1,260,611	$ 1,089,850
2026	1,311,016	1,040,938
2027	1,363,424	990,070
2028	1,415,859	939,718
2029	1,474,983	882,229
2030 through 2034	8,305,679	3,507,639
2035 through 2039	10,103,585	1,761,559
2040 through 2044	3,438,932	133,607
Total Minimum Lease Payments	$ 28,674,089	$ 10,345,610

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 Loss on Debt Refunding	$ 900,975
Deferred Outflow of Resources on Defined Benefit Pension Plans (See Note 14)	5,201,217
Deferred Outflow of Resources on OPEB Plan (See Note 17)	2,012,370
Total Deferred Outflows of Resources	$ 8,114,562
Deferred Inflow of Resources	
Deferred Inflow of Resources on Defined Benefit Pension Plans (See Note 14)	$ 513,488
Deferred Inflow of Resources on OPEB Plan (See Note 17)	8,100,746
Total Deferred Inflows of Resources	$ 8,614,234

Deferred Loss on Debt Refunding
The unamortized deferred loss on debt refunding related to changes in the provisions of various financing leases that resulted from the refunding by the lessor of tax-exempt debt in which the portion of the perceived economic advantages (gain)/disadvantages (loss) of the refunding were passed through to the institution.

Note 10 Net Position

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

NET POSITION		
Net Investment in Capital Assets	$	15,941,336
Restricted for		
Nonexpendable		
Permanent Endowment	$	311,627
Expendable		
Sponsored and Other Organized Activities	$	2,698,416
Federal Loans		(17,650)
Institutional Loans		52,871
Sub-Total	$	2,733,637
Unrestricted		
Auxiliary Enterprises Operations	$	1,893,475
Reserve for Encumbrances		5,596,262
Reserve for Inventory		8,056
Capital Liability Reserve Fund		66,661
Other Unrestricted		(32,118,552)
Sub-Total	$	(24,554,098)
Total Net Position	$	(5,567,498)

Other unrestricted net position is reduced by $17,971,211 related to the recording of net OPEB liability, deferred inflow of resources, and deferred outflow of resources related to the OPEB plan. Other unrestricted net position is also reduced by $11,176,626 related to the recording of net pension liability, deferred inflow of resources, and deferred outflow of resources related to 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	$ 14,489,889	$ 4,200,359	$ 2,748,912	$ 15,941,336
Restricted Net Position	2,792,554	9,259,027	9,006,317	3,045,264
Unrestricted Net Position	(22,931,142)	19,832,196	21,455,152	(24,554,098)
Total Net Position	$ (5,648,699)	$ 33,291,582	$ 33,210,381	$ (5,567,498)

Note 11 Endowments

Investments of the College's funds are pooled, unless required to be separately invested by the donor. For college controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determine to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation on endowment investments available for authorization for expenditure was $33,137 and are reflected as expendable restricted net position.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2024. All significant commitments have been encumbered at fiscal year-end.

Note 13 Leases and Subscriptions

The College leased office and computer equipment during the fiscal year. Although lease and/or subscription terms vary, many leases and/or subscription agreements 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 lease obligations for fiscal year 2024 were $1,674 and $0, respectively. Interest rates on the leases that have paid out were 1.37%.

Lease Obligations

The College had no outstanding lease obligations due to a third-party vendor at June 30, 2024.

For the fiscal year 2024, the College recognized expense for lease variable payments related to index changes and payments on performance of $0 and no termination penalties. There were no residual guarantee payments expensed for fiscal year ended June 30, 2024.

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	$ 7,967	$ 7,967	$ —	$ —
Total Assets Held Under Lease	$ 7,967	$ 7,967	$ —	$ —

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
Copier Machines across Campus	Ricoh	$ 7,967	48 Months	Various	Various	$ —
Total Leases		$ 7,967				$ —

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

There are no future commitments related to lease obligations as of June 30, 2024 since all leases ended during Fiscal Year 2024.

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

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

General Information about the Teachers Retirement System

Plan description

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

Benefits Provided

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

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2024. The College's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of the annual College payroll. The College's contributions to TRS totaled $1,527,535 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 College's contributions to ERS totaled $18,113 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 and ERS. 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 and ERS during the fiscal year ended June 30, 2023. At June 30, 2023, the College's TRS proportion was 0.053299%, which was an increase of 0.000183% from its proportion measured as of June 30, 2022. At June 30, 2023, the College's ERS proportion was 0.002149%, which was a decrease of (0.000112)% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized pension expense of $3,113,898 for TRS and $31,342 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	$ 799,061	$ 65,064	$ 1,947	$ 300
Changes of assumptions	1,618,912		4,933	
Net difference between projected and actual earnings on pension plan investments	1,106,766.00		5,222	
Changes in proportion and differences between contributions and proportionate share of contributions	118,541	445,215	187	2,909
Contributions subsequent to the measurement date	1,527,535		18,113	
Total	$ 5,170,815	$ 510,279	$ 30,402	$ 3,209

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	$ 894,407	$ 3,165
2026	$ 497,382	$ (2,133)
2027	$ 2,124,229	$ 10,436
2028	$ (383,017)	$ (2,388)

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	100.00 %		100.00 %	

* 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 and ERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	$24,880,690	$15,736,154	$8,268,409

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$175,918	$128,201	88,045

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

B. Defined Contribution Plan:

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

Funding Policy
The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 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 $164,127 (9.24%) and $106,576 (6.00%), respectively.

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	164
Retirees or Beneficiaries Receiving Benefits	78
Retirees or Beneficiaries Eligible But Not Receiving Benefits	
Retirees Receiving Life Insurance Only	29
Total	271

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 $322,568 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 Institution'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 Institution's proportion was 0.373986%, which was a decrease of (0.023424)% from its proportion

measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized OPEB expense of $(1,504,983). 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	$ 510,194	$ 90,775
Changes of assumptions	995,052	6,469,609
Net difference between projected and actual earnings on OPEB plan investments	53,879	
Changes in proportion and differences between contributions and proportionate share of contributions	130,677	1,540,362
Contributions subsequent to the measurement date	322,568	
Total	$ 2,012,370	$ 8,100,746

The College's contributions subsequent to the measurement date of $322,568 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	$	(2,045,930)
2026	$	(1,941,063)
2027	$	(1,468,074)
2028	$	(839,606)
2029	$	(116,271)

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

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- 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 of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

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 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	$ 13,803,965	$ 11,882,835	$ 10,321,830

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	$ 10,424,250	$ 11,882,835	$ 13,694,682
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 usg.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:

	Natural Classification				
Functional Classification	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	$ 4,632,262	$ 229,743	$ 1,442,601		$ 30,393
Academic Support	130,037	729,471	309,735		5,501
Student Services		1,426,834	575,789		26,721
Institutional Support	5,640	1,250,965	879,967	$ 260,180	27,193
Plant Operations and Maintenance		1,455,767	643,083		1,202
Scholarships and Fellowships					
Auxiliary Enterprises	187,350	312,046	198,896		1,494
Total Operating Expenses	$ 4,955,289	$ 5,404,826	$ 4,050,071	$ 260,180	$ 92,504

Functional Classification	Natural Classification Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/ Amortization	Total Operating Expenses
Instruction			$ 709,191	$ 477,992	$ 7,522,182
Academic Support		$ 102,102	722,582	53,446	2,052,874
Student Services			158,209	85,104	2,272,657
Institutional Support		140,170	794,914	67,445	3,426,474
Plant Operations and Maintenance		854,081	1,497,687	931,811	5,383,631
Scholarships and Fellowships	$ 3,441,577				3,441,577
Auxiliary Enterprises	109,550	282,603	1,621,993	1,003,155	3,717,087
Total Operating Expenses	$ 3,551,127	$ 1,378,956	$ 5,504,576	$ 2,618,953	$ 27,816,482

Note 19 Subsequent Event

In September 2024, the Institution experienced damages to campus facilities from Hurricane Helene. At this time, the damages are expected to range from $8 million - $10 million. The Institution is expecting to receive financial support from the Federal Emergency Management Agency and/or Georgia Emergency Management Agency, in addition to insurance recoveries.

Required Supplementary Information

SOUTH GEORGIA 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	$ 18,113	$ 18,113	$ —	$ 61,716	29.35%
	June 30, 2023	$ 18,290	$ 18,290	$ —	$ 58,980	31.01%
	June 30, 2022	$ 13,635	$ 13,635	$ —	$ 55,359	24.63%
	June 30, 2021	$ 13,140	$ 13,140	$ —	$ 53,285	24.66%
	June 30, 2020	$ 13,113	$ 13,113	$ —	$ 53,218	24.64%
	June 30, 2019	$ 44,437	$ 44,437	$ —	$ 180,345	24.64%
	June 30, 2018	$ 41,436	$ 41,436	$ —	$ 168,163	24.64%
	June 30, 2017	$ 50,823	$ 50,823	$ —	$ 204,851	24.81%
	June 30, 2016	$ 54,521	$ 54,521	$ —	$ 220,555	24.72%
	June 30, 2015	$ 44,037	$ 44,037	$ —	$ 200,535	21.96%
Teachers' Retirement System	June 30, 2024	$ 1,527,535	$ 1,527,535	$ —	$ 7,658,022	19.95%
	June 30, 2023	$ 1,529,868	$ 1,529,868	$ —	$ 7,781,464	19.66%
	June 30, 2022	$ 1,422,006	$ 1,422,006	$ —	$ 7,178,223	19.81%
	June 30, 2021	$ 1,345,573	$ 1,345,573	$ —	$ 7,059,669	19.06%
	June 30, 2020	$ 1,615,329	$ 1,615,329	$ —	$ 8,478,968	19.05%
	June 30, 2019	$ 1,417,749	$ 1,417,749	$ —	$ 7,056,988	20.09%
	June 30, 2018	$ 1,074,855	$ 1,074,855	$ —	$ 6,350,095	16.93%
	June 30, 2017	$ 868,810	$ 868,810	$ —	$ 6,065,659	14.32%
	June 30, 2016	$ 877,112	$ 877,112	$ —	$ 6,140,204	14.28%
	June 30, 2015	$ 809,671	$ 809,671	$ —	$ 6,157,191	13.15%

SOUTH GEORGIA STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF 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
Employees' Retirement System	June 30, 2024	0.002149%	$ 128,201	$ 58,980	217.36%	71.20%
	June 30, 2023	0.002261%	$ 151,000	$ 55,359	272.77%	67.44%
	June 30, 2022	0.002223%	$ 51,994	$ 53,285	97.58%	87.62%
	June 30, 2021	0.002109%	$ 88,893	$ 53,218	167.04%	76.21%
	June 30, 2020	0.004476%	$ 184,704	$ 180,345	102.42%	76.21%
	June 30, 2019	0.006593%	$ 271,040	$ 168,163	161.18%	76.74%
	June 30, 2018	0.008352%	$ 339,203	$ 204,851	165.59%	76.68%
	June 30, 2017	0.009486%	$ 448,728	$ 220,555	203.45%	76.33%
	June 30, 2016	0.008771%	$ 355,348	$ 200,535	177.20%	72.34%
	June 30, 2015	0.010000%	$ 355,348	$ 161,807	219.61%	76.20%
Teachers Retirement System	June 30, 2024	0.053299%	$ 15,736,154	$ 7,781,464	202.23%	76.29%
	June 30, 2023	0.053116%	$ 17,247,792	$ 7,178,223	240.28%	72.85%
	June 30, 2022	0.054398%	$ 4,811,140	$ 7,059,669	68.15%	92.03%
	June 30, 2021	0.058734%	$ 14,227,674	$ 8,478,968	167.80%	77.01%
	June 30, 2020	0.055509%	$ 11,935,936	$ 7,056,988	169.14%	78.56%
	June 30, 2019	0.053293%	$ 9,892,322	$ 6,350,095	155.78%	80.27%
	June 30, 2018	0.052892%	$ 9,830,141	$ 6,065,659	162.06%	79.33%
	June 30, 2017	0.055999%	$ 11,553,218	$ 6,140,204	188.16%	76.06%
	June 30, 2016	0.058331%	$ 8,880,316	$ 6,157,191	144.23%	81.44%
	June 30, 2015	0.060000%	$ 7,682,920	$ 5,777,079	132.99%	84.03%

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

SOUTH GEORGIA 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%.

SOUTH GEORGIA 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	$ 322,568	$ 322,568	$ —	$ 9,812,224	3.29%
June 30, 2023	$ 379,544	$ 379,544	$ —	$ 9,915,232	3.83%
June 30, 2022	$ 581,581	$ 581,581	$ —	$ 10,239,784	5.68%
June 30, 2021	$ 463,361	$ 463,361	$ —	$ 9,790,181	4.73%
June 30, 2020	$ 430,451	$ 430,451	$ —	$ 10,244,988	4.20%
June 30, 2019	$ 673,287	$ 673,287	$ —	$ 9,485,317	7.10%
June 30, 2018	$ 659,613	$ 659,613	$ —	$ 8,869,756	7.44%
June 30, 2017	$ 430,603	$ 430,603	$ —	$ 7,884,038	5.46%

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

SOUTH GEORGIA STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE 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	0.373986%	$ 11,882,835	$ 9,915,232	119.84%	6.44%
June 30, 2023	0.397410%	$ 15,742,690	$ 10,239,784	153.74%	5.08%
June 30, 2022	0.394751%	$ 19,868,136	$ 9,790,181	202.94%	3.74%
June 30, 2021	0.418759%	$ 22,335,429	$ 10,244,988	218.01%	2.91%
June 30, 2020	0.419799%	$ 18,771,598	$ 9,485,317	197.90%	3.13%
June 30, 2019	0.416370%	$ 18,365,044	$ 8,869,756	207.05%	1.69%
June 30, 2018	0.432402%	$ 18,246,179	$ 7,884,038	231.43%	0.19%

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

SOUTH GEORGIA STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
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 $200,000 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 of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

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

SOUTH GEORGIA STATE COLLEGE
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30. 2024
(UNAUDITED)

ASSETS		
Cash and Cash Equivalents	$	2,441,293.62
Investments		67,326.24
Accounts Receivable		
Federal Financial Assistance		47,923.52
Other		7,908,390.54
Prepaid Expenditures		195,892.92
Inventories		6,540.06
Other Assets		27,560.00
Total Assets	$	10,694,926.90
LIABILITIES AND FUND EQUITY		
Liabilities		
Accrued Payroll	$	47,809.98
Encumbrance Payable		5,514,956.58
Accounts Payable		642,864.82
Unearned Revenue		430,046.37
Total Liabilities	$	6,635,677.75
Fund Balances		
Reserved		
Department Sales and Services	$	256,985.41
Indirect Cost Recoveries		114,109.80
Technology Fees		905,532.64
Restricted/Sponsored Funds		2,537,367.46
Uncollectible Accounts Receivable		88,701.67
Inventories		8,055.69
Tuition Carry - Forward		117,876.40
Unreserved		
Surplus		30,620.08
Total Fund Balances	$	4,059,249.15
Total Liabilities and Fund Balances	$	10,694,926.90

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.

SOUTH GEORGIA 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
Teaching				
State Appropriation				
State General Funds	$ 12,007,032.00	$ 14,599,324.00	$ 14,599,324.00	
Federal Funds - Covid 19				
Federal funds not specifically Identified - COVID 19		360,806.00	360,805.64	$ 53,572.34
Federal Funds				
Federal funds not specifically Identified	5,075,147.00	6,339,776.00	6,227,587.03	
Other Funds	6,209,272.00	10,223,094.00	7,750,838.91	3,695,606.11
Total Teaching	$ 23,291,451.00	$ 31,523,000.00	$ 28,938,555.58	$ 3,749,178.45
Total Operating Activity	$ 23,291,451.00	$ 31,523,000.00	$ 28,938,555.58	$ 3,749,178.45

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.

SOUTH GEORGIA 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
	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Teaching					
State Appropriation					
State General Funds	$ 14,599,324.00		$ 14,599,324.00		
Federal Funds - Covid 19					
Federal funds not specifically Identified - COVID 19	414,377.98	$ 53,571.98	360,805.64	$ 0.36	$ 53,572.34
Federal Funds					
Federal funds not specifically Identified	6,227,587.03	-112,188.97	6,227,587.03	112,188.97	
Other Funds	11,446,445.02	1,223,351.02	7,736,569.74	2,486,524.26	$ 3,709,875.28
Total Teaching	$ 32,687,734.03	$ 1,164,734.03	$ 28,924,286.41	$ 2,598,713.59	$ 3,763,447.62
Total Operating Activity	$ 32,687,734.03	$ 1,164,734.03	$ 28,924,286.41	$ 2,598,713.59	$ 3,763,447.62

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.

SOUTH GEORGIA 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 2024 Surplus	Prior Year Adjustments	Other Adjustments
Teaching					
State Appropriation					
State General Funds	$ 53.67		$ (53.67)	$ 27,245.01	$ 2,989.69
Federal Funds-COVID 19					
Federal Funds Not specifically Identified - COVID	53,572.34	$ (53,572.34)	—	(53,572.34)	—
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	3,695,616.11	(3,695,606.11)	(10.00)	64,407.50	157,974.31
Total Teaching	$ 3,749,242.12	$ (3,749,178.45)	$ (63.67)	$ 38,080.17	$ 160,964.00
Total Operating Activity	$ 3,749,242.12	$ (3,749,178.45)	$ (63.67)	$ 38,080.17	$ 160,964.00
Prior Year Reserves					
Not Available for Expenditure					
Inventories	11,045.38				(2,989.69)
Uncollectible Accounts Receivable	246,675.98				(157,974.31)
Budget Unit Totals	$ 4,006,963.48	$ (3,749,178.45)	$ (63.67)	$ 38,080.17	$ —

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.

SOUTH GEORGIA STATE COLLEGE
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30. 2024

	Excess (Deficiency) of Funds Available Over/Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
			Reserved	Surplus/(Deficit)	Total
Teaching					
State Appropriation					
State General Funds		$ 30,234.70		$ 30,234.70	$ 30,234.70
Federal Funds-COVID 19					
Federal Funds Not specifically Identified - COVID	$ 53,572.34	—	—	—	—
Federal Funds					
Federal Funds Not Specifically Identified	—	—	—	—	—
Other Funds	3,709,875.28	3,932,257.09	$ 3,931,871.71	385.38	3,932,257.09
Total Teaching	$ 3,763,447.62	$ 3,962,491.79	$ 3,931,871.71	$ 30,620.08	$ 3,962,491.79
Total Operating Activity	$ 3,763,447.62	$ 3,962,491.79	$ 3,931,871.71	$ 30,620.08	$ 3,962,491.79
Prior Year Reserves					
Not Available for Expenditure					
Inventories		8,055.69	8,055.69		8,055.69
Uncollectible Accounts Receivable		88,701.67	88,701.67		88,701.67
Budget Unit Totals	$ 3,763,447.62	$ 4,059,249.15	$ 4,028,629.07	$ 30,620.08	$ 4,059,249.15

Departmental Sales and Services	$ 256,985.41		$ 256,985.41
Indirect Cost Recovery	114,109.80		114,109.80
Technology Fees	905,532.64		905,532.64
Restricted/Sponsored Funds	2,537,367.46		2,537,367.46
Tuition Carry-Forward	117,876.40		117,876.40
Uncollectible Accounts Receivable	88,701.67		88,701.67
Inventories	8,055.69		8,055.69
Surplus		$ 30,620.08	30,620.08
	$ 4,028,629.07	$ 30,620.08	$ 4,059,249.15

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.

SOUTH GEORGIA
STATE COLLEGE

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