



REVIEW REPORT • FISCAL YEAR 2024

# Lanier Technical College

## Gainesville, Georgia

Greg S. Griffin | State Auditor



**DOAA**

Georgia Department  
of Audits & Accounts

# Lanier Technical College

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**Section I**

**Financial**



## 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 the Technical College System of Georgia  
Members of the Local Board of Directors  
and  
Mr. Tim McDonald, President  
Lanier Technical College

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary activities of Lanier Technical 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 Lanier Technical College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### ***Accountant's Conclusion***

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

## ***Required Supplementary Information***

Management has omitted the Management's Discussion and Analysis, Schedules of Contributions for Defined Benefit Pension Plan and OPEB Plan, Schedules of Proportionate Share of Net Pension and Net OPEB Liabilities, and Notes to the Required Supplementary Information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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.

## ***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 Lanier Technical 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 Lanier Technical College's Federal Student Aid programs for the year ended June 30, 2024, to meet the requirements of COC Standard 13.6. Included in this review report 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 Lanier Technical 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 Lanier Technical College, members of the Board of the Technical College System of Georgia, members of the local Board of Directors and the Southern Association of Colleges and Schools – Commission on Colleges and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,



Greg S. Griffin  
State Auditor

January 6, 2025

## Financial Statements



LANIER TECHNICAL COLLEGE  
STATEMENT OF NET POSITION - (GAAP BASIS)  
JUNE 30, 2024

EXHIBIT "A"

ASSETS

Current Assets

Accounts Receivable, Net	\$ 893,923.44
Receivables - Federal Financial Assistance	
Receivables - Other	3,255,132.28
Prepaid Items	244,221.12
Inventories	114,899.15
Total Current Assets	4,508,175.99

Noncurrent Assets

Net OPEB Asset	398,391.00
Capital Assets, Net	129,040,670.98
Total Noncurrent Assets	129,439,061.98
Total Assets	133,947,237.97

Deferred Outflows of Resources

Related to Defined Benefit Pension and OPEB Plans	11,714,901.00
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LIABILITIES

Current Liabilities

Cash Overdraft	1,462,668.67
Accounts Payable	721,099.98
Salaries Payable	171,945.51
Advances (Including Tuition and Fees)	1,364,618.17
Funds Held for Others	1,428,310.96
Lease Obligations	99,041.33
Subscription Obligations	26,107.10
Compensated Absences	955,048.89
Total Current Liabilities	6,228,840.61

Noncurrent Liabilities

Lease Obligations	183,662.73
Subscription Obligations	30,981.34
Compensated Absences	786,280.13
Net OPEB Liability	1,300,656.00
Net Pension Liability	28,990,353.00
Total Noncurrent Liabilities	31,291,933.20
Total Liabilities	37,520,773.81

Deferred Inflows of Resources

Related to Defined Benefit Pension and OPEB Plans	2,912,137.00
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NET POSITION

Net Investment in Capital Assets	128,700,878.48
Restricted	
Expendable	438,308.02
Unrestricted (Deficit)	(23,909,958.34)
Total Net Position	\$ 105,229,228.16

LANIER TECHNICAL COLLEGE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - (GAAP BASIS)  
YEAR ENDED JUNE 30, 2024

EXHIBIT "B"

OPERATING REVENUES

Student Tuition and Fees	\$	14,155,410.37
Less: Allowance for Doubtful Accounts		(154,969.66)
Less: Sponsored Scholarships		(2,397,471.06)
Grants and Contracts		
Federal		83,074.27
Rents and Royalties		932,102.90
Sales and Services		1,948,679.59
Total Operating Revenues		14,566,826.41

OPERATING EXPENSES

Salaries		19,821,715.64
Employee Benefits		10,097,518.40
Travel		88,179.98
Scholarships and Fellowships		6,532,754.42
Utilities		1,021,862.85
Supplies and Other Services		3,139,572.32
Depreciation and Amortization		5,825,766.93
Total Operating Expenses		46,527,370.54
Operating Loss		(31,960,544.13)

NONOPERATING REVENUES (EXPENSES)

State Appropriations		14,740,916.77
Grants and Contracts		
Revenues		
Federal		11,685,506.03
Nongovernmental		18,465.68
Expenses		(29,997.40)
Gifts		606,429.17
Interest Expense ( Capital Assets)		(16,000.50)
Other Nonoperating Revenues		41,636.04
Other Nonoperating Expenses		(650,975.42)
Net Nonoperating Revenues		26,395,980.37
Loss Before Other Revenues, Expenses, Gains, or Losses		(5,564,563.76)

CAPITAL CONTRIBUTIONS

Capital Grants and Gifts		
Local		754,468.75
Nongovernmental		390.93
Total Other Revenues, Expenses, Gains, or Losses		754,859.68
Change in Net Position		(4,809,704.08)
Net Position - Beginning of Year		110,038,932.24
Net Position - End of Year	\$	105,229,228.16



LANIER TECHNICAL COLLEGE  
STATEMENT OF CASH FLOWS - (GAAP BASIS)  
YEAR ENDED JUNE 30, 2024

EXHIBIT "C"

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 10,178,834.96
Grants and Contracts (Exchange)	(599,323.23)
Sales and Services	1,948,679.59
Payments to Suppliers	(14,174,485.33)
Payments to Employees	(19,893,196.77)
Payments for Scholarships and Fellowships	(6,532,754.42)
Short-Term Custodial Fund Receipts	(1,052,089.30)
Short-Term Custodial Fund Payments	956,707.06
Other Receipts	1,935,115.71
Net Cash Used by Operating Activities	<u>(27,232,511.73)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	14,740,916.77
Gifts and Grants Received for Other than Capital Purposes	12,280,403.48
Negative Cash Balance	1,462,668.67
Other Nonoperating Payments	(609,339.38)
Net Cash Flows Provided by Noncapital Financing Activities	<u>27,874,649.54</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants and Gifts Received	540,500.06
Purchases of Capital Assets	(1,916,074.75)
Principal Paid on Capital Debt	(165,058.05)
Interest Paid on Capital Debt	(16,000.50)
Net Cash Used by Capital and Related Financing Activities	<u>(1,556,633.24)</u>
Net Decrease in Cash	(914,495.43)
Cash and Cash Equivalents - Beginning of Year	<u>914,495.43</u>
Cash and Cash Equivalents - End of Year	<u>\$ -</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH	
USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (31,960,544.13)
Adjustments to Reconcile Operating Income to Net Cash	
Used by Operating Activities	
Depreciation and Amortization Expense	5,825,766.93
Change in Assets and Liabilities:	
Accounts Receivable, Net	(1,042,578.55)
Prepaid Items	(147,396.09)
Inventories	41,798.49
Net OPEB Asset	(99,080.00)
Salaries Payable	(109,214.61)
Accounts Payable	(438,663.18)
Advances (Including Tuition and Fees)	(60,940.83)
Funds Held for Others	(95,382.24)
Compensated Absences	37,733.48
Net Pension Liability	(2,811,415.00)
Net OPEB Liability	(772,182.00)
Change in Deferred Inflows/Outflows of Resources	
Deferred Inflows of Resources	(940,081.00)
Deferred Outflows of Resources	<u>5,339,667.00</u>
Net Cash Used by Operating Activities	<u>\$ (27,232,511.73)</u>
NONCASH ACTIVITY	
Fixed assets Acquired by Incurring Lease Obligations	<u>\$ 368,140.26</u>
Gift of Capital Assets Reducing Proceeds of Capital Grants and Gifts	<u>\$ 214,359.62</u>

LANIER TECHNICAL COLLEGE  
STATEMENT OF FIDUCIARY NET POSITION - (GAAP BASIS)  
JUNE 30, 2024

EXHIBIT "D"

	<u>CUSTODIAL FUNDS</u>
<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 131,892.85
Accounts Receivable, Net	
Other	<u>26,760.10</u>
Total Assets	<u>158,652.95</u>
<u>LIABILITIES</u>	
Current Liabilities	
Accounts Payable	<u>137,701.54</u>
<u>NET POSITION</u>	
Restricted	
Individuals, Organizations, and Other Governments	<u>\$ 20,951.41</u>

LANIER TECHNICAL COLLEGE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - (GAAP BASIS)  
YEAR ENDED JUNE 30, 2024

EXHIBIT "E"

<u>ADDITIONS</u>	<u>CUSTODIAL FUNDS</u>
State Financial Aid	\$ 6,573,848.95
Other Financial Aid	8,099.99
Clubs and Other Organizations Fund Raising	192,377.91
Miscellaneous	<u>1,654.97</u>
Total Additions	<u>6,775,981.82</u>
<u>DEDUCTIONS</u>	
Scholarships and Other Student Support	6,766,226.86
Student Organizations Support	<u>8,099.99</u>
Total Deductions	<u>6,774,326.85</u>
Net Increase in Fiduciary Net Position	1,654.97
Net Position - Beginning of Year	<u>19,296.44</u>
Net Position - End of Year	<u>\$ 20,951.41</u>

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Reporting Entity**

Lanier Technical College (the College) is one of twenty-two (22) State supported member Institutions of postsecondary education in Georgia which comprise the Technical College System of Georgia. The accompanying financial statements reflect the operations of Lanier Technical College as a separate reporting entity.

The College's local board of directors is composed of ten (10) members serving staggered three-year terms who are appointed by the State Board of the Technical College System of Georgia. Appropriation of state funds is made to the Technical College System of Georgia by the General Assembly of Georgia. The System Office of the Technical College System of Georgia determines the amount of state appropriations to be received by the College. The College does not have the authority to retain unexpended state appropriations (surplus) for any given year. Accordingly, the College is considered an organizational unit of the Technical College System of Georgia for financial reporting purposes because of the significance of its legal, operational, and financial relationships as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The accompanying financial statements represent the financial position, changes in financial position and cash flows of only that portion of the business-type activities and fiduciary 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 of Georgia 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 Annual Comprehensive Financial Report (ACFR). The most recent State of Georgia ACFR is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

### **Basis of Accounting and Financial Statement Preparation**

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 of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position and cash flows.

The College's business-type activities and fiduciary activities 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-college transactions have been eliminated.

The College reports the following fiduciary activities:

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 adoption 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 include petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the State Investment Pool (Georgia Fund 1).

### Accounts Receivable

Accounts receivable consist of tuition and fee charges to students, allotments due from the Office of the State Treasurer of Georgia, reimbursements due from federal, state, local and private grants and contracts, and other receivables disclosed from information available. Accounts receivables are recorded net of estimated uncollectible amounts.

### Capital Assets

Capital assets are recorded at cost at date of acquisition, or fair value at the time of donation in the case of gifts. The College capitalizes all land and land improvements. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000.00 or more, and an estimated useful life of greater than one year. Buildings and building improvements, improvements other than buildings, and intangible assets other than software that exceed \$100,000.00 or significantly increase the value or extend the useful life of the asset are capitalized. For infrastructure and software, the College's capitalization threshold is \$1,000,000.00. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 to 60 years for buildings, 10 to 100 years for infrastructure, 15 to 50 years for improvements other than buildings, 10 years for library collections, 3 to 20 years for equipment, 3 to 10 years for software, and 20 years for intangibles.

To fully portray capital assets acquired by 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 both the Technical Colleges and the Technical College System of Georgia. The 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 GSFIC. The bonds are issued for the purpose of acquiring capital assets and this debt constitutes 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.

**LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024**

**EXHIBIT "F"**

For major construction projects, GSFIC records construction in progress on its books throughout the construction period and at project completion transfers the entire project costs to the College to be recorded as an asset on the College's books.

### **Advances**

Advances include amounts received for tuition and fees, grant and contract sponsors and other exchange type activities prior to the end of the fiscal year but related to the subsequent accounting period.

### **Deferred Outflows of Resources**

Deferred outflows of resources consist of the consumption of net assets by the College that are applicable to a future reporting period.

### **Compensated Absences**

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

### **Noncurrent Liabilities**

Noncurrent 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 noncurrent assets.

### **Deferred Inflows of Resources**

Deferred inflows of resources consist of the acquisition of net assets by the College that are applicable to a future reporting period.

### **Other Post-Employment Benefit (OPEB) and Net OPEB Liability/Asset**

For purposes of measuring the net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia State Employees Post-Employment Benefit Fund (State OPEB Fund) and additions to/deductions from the State OPEB Fund's fiduciary net position have been determined on the same basis as they are reported by the State OPEB Fund. For this purpose, the State OPEB Fund recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **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

LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024

EXHIBIT "F"

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:* This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of the 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 Expendable:* Includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

*Unrestricted:* Unrestricted represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments. 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 College to meet current expenses for those purposes, except for unexpended state appropriations (surplus) in the amount of \$24,662.13. Unexpended state appropriations must be refunded to the Office of the State Treasurer.

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.

### Scholarship Allowances

Scholarship allowances are the differences 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 non-governmental 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 and fees and other student charges, the College has recorded contra revenue for scholarship allowances.



**LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024**

**EXHIBIT "F"**

**NOTE 2: DEPOSITS**

Reconciliation of cash and cash equivalents to carrying value of deposits:

Statement of Net Position	
Current	
Cash and Cash Equivalents	\$ (1,462,668.67)
Combining Statement of Fiduciary Net Position	
Cash and Cash Equivalents	<u>131,892.85</u>
	<u>\$ (1,330,775.82)</u>

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

Cash on hand	\$ 2,830.00
Deposits with financial institutions	<u>(1,333,605.82)</u>
Total carrying value of deposits - June 30, 2024	<u>\$ (1,330,775.82)</u>

**Deposits**

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 Section 50-17-59:

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

**LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024**

**EXHIBIT "F"**

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

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

At June 30, 2024, the bank balances of the College's deposits totaled \$139,970.66. None of these deposits were exposed to custodial credit risk.

**NOTE 3: ACCOUNTS RECEIVABLE**

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

	Business-Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 3,163,393.11	\$ -
Federal, State and Private Funds	1,007,553.42	-
Other	-	26,760.10
	4,170,946.53	26,760.10
Less: Allowance for Doubtful Accounts	21,890.81	-
Accounts Receivable	\$ 4,149,055.72	\$ 26,760.10

**LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024**

**EXHIBIT "F"**

**NOTE 4: CAPITAL AND INTANGIBLE RIGHT-TO-USE ASSETS**

Following are the changes in capital assets for the year ended June 30, 2024:

	Beginning Balance July 1, 2023	Special Item Transfer	Additions	Reductions	Ending Balance June 30, 2024
<b>Capital Assets, Not Being Depreciated/Amortized:</b>					
Land and Land Improvements	\$ 10,346,640.16	\$ -	\$ -	\$ -	\$ 10,346,640.16
Works of Art and Collections	55,000.00	-	-	-	55,000.00
Construction Work-In-Progress	-	-	15,257.00	-	15,257.00
Total Capital Assets, Not Being Depreciated/Amortized	<u>10,401,640.16</u>	<u>-</u>	<u>15,257.00</u>	<u>-</u>	<u>10,416,897.16</u>
<b>Capital Assets, Being Depreciated/Amortized:</b>					
Building and Building Improvements	134,065,411.81	-	-	-	134,065,411.81
Improvements Other than Buildings	11,386,374.11	-	-	-	11,386,374.11
Intangible - Right-to-Use, Assets	330,216.44	-	368,140.26	-	698,356.70
Equipment	19,693,043.79	27,140.00	2,105,155.30	176,968.18	21,648,370.91
Library Collections	439,606.88	-	10,022.07	44,387.00	405,241.95
Total Assets Being Depreciated/Amortized	<u>165,914,653.03</u>	<u>27,140.00</u>	<u>2,483,317.63</u>	<u>221,355.18</u>	<u>168,203,755.48</u>
<b>Less: Accumulated Depreciation/Amortization:</b>					
Building and Building Improvements	22,055,546.21	-	3,137,483.57	-	25,193,029.78
Improvements Other than Buildings	4,920,886.66	-	788,315.57	-	5,709,202.23
Intangible - Right-to-Use, Assets	293,217.57	-	157,591.22	-	450,808.79
Equipment	16,298,721.25	27,140.00	1,727,668.37	176,968.18	17,876,561.44
Library Collections	380,058.22	-	14,708.20	44,387.00	350,379.42
Total Accumulated Depreciation/Amortization	<u>43,948,429.91</u>	<u>27,140.00</u>	<u>5,825,766.93</u>	<u>221,355.18</u>	<u>49,579,981.66</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>121,966,223.12</u>	<u>-</u>	<u>(3,342,449.30)</u>	<u>-</u>	<u>118,623,773.82</u>
Capital Assets, Net	<u>\$ 132,367,863.28</u>	<u>\$ -</u>	<u>\$ (3,327,192.30)</u>	<u>\$ -</u>	<u>\$ 129,040,670.98</u>

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

Fiscal Year	Depreciation/ Amortization Expense
2024	\$ 5,825,766.93
2023	\$ 6,304,928.31
2022	\$ 6,258,432.62

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

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
<b>Intangible - Right-to-Use Assets</b>				
Equipment	\$ 330,216.44	\$ 286,853.66	\$ -	\$ 617,070.10
Subscription Assets	-	81,286.60	-	81,286.60
Total Leased Assets Being Amortized	<u>330,216.44</u>	<u>368,140.26</u>	<u>-</u>	<u>698,356.70</u>
<b>Less: Accumulated Depreciation:</b>				
Equipment	293,217.57	131,562.49	-	424,780.06
Subscription Assets	-	26,028.73	-	26,028.73
Total Accumulated Amortization	<u>293,217.57</u>	<u>157,591.22</u>	<u>-</u>	<u>450,808.79</u>
Intangible - Right-to-Use Assets, Net	<u>\$ 36,998.87</u>	<u>\$ 210,549.04</u>	<u>\$ -</u>	<u>\$ 247,547.91</u>

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**EXHIBIT "F"**

**NOTE 5: ADVANCES (INCLUDING TUITION AND FEES)**

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 1,364,618.17

**NOTE 6: LONG-TERM LIABILITIES**

The College's long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024	Current Portion
<b>Leases</b>					
Lease Obligations	\$ 136,710.29	\$ 286,853.66	\$ 140,859.89	\$ 282,704.06	\$ 99,041.33
Subscription Obligations	-	81,286.60	24,198.16	57,088.44	26,107.10
<b>Total</b>	136,710.29	368,140.26	165,058.05	339,792.50	125,148.43
<b>Other Liabilities</b>					
Compensated Absences	1,703,595.54	37,733.48	-	1,741,329.02	955,048.89
<b>Total Long-Term Obligations</b>	\$ 1,840,305.83	\$ 405,873.74	\$ 165,058.05	\$ 2,081,121.52	\$ 1,080,197.32

**NOTE 7: 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:

	Fiscal Year 2024
<b>Deferred Outflows of Resources</b>	
Deferred Loss on Defined Benefit Pension Plans	\$ 8,807,081.00
Deferred Loss on OPEB Plan	2,907,820.00
<b>Total Deferred Outflows of Resources</b>	\$ 11,714,901.00
<b>Deferred Inflows of Resources</b>	
Deferred Gain on Defined Benefit Pension Plans	\$ 1,487,221.00
Deferred Gain on OPEB Plan	1,424,916.00
<b>Total Deferred Inflows of Resources</b>	\$ 2,912,137.00

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**EXHIBIT "F"**

**NOTE 8: NET POSITION**

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

Net Investment in Capital Assets	\$	128,700,878.48
Restricted for		
Expendable		
Net OPEB Asset		438,308.02
Unrestricted		<u>(23,909,958.34)</u>
 Total Net Position	 \$	 <u>105,229,228.16</u>

**NOTE 9: LEASES AND SUBSCRIPTIONS**

**Lease Obligations**

The College leases office equipment and vehicles. The College also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms may 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 positive action taken by the College. In addition, these agreements shall terminate if the State does not provide funding, but that is considered a remote possibility. The College's principal and interest payments related to leases for the fiscal year 2024 were \$140,859.89 and \$13,773.25 respectively. Interest rates range from 0.03% to 11.45%.

The College's principal and interest payments related to SBITAs for the fiscal year 2024 were \$24,198.16 and \$2,227.25 respectively. Interest rate is 2.74%.

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 Amortization	Net, Capital Assets Held Under Lease Obligations at June 30, 2024	Outstanding Balance per Lease Schedules at June 30, 2024
	( + )	( - )	( = )	
Leased Equipment	\$ 617,070.10	\$ 424,780.06	\$ 192,290.04	\$ 282,704.06

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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
2020 Nissan Pathfinder - 2	Enterprise	\$ 32,452.95	4 yrs	07/2021	02/2025	\$ 6,869.73
2020 Nissan Pathfinder - 3	Enterprise	31,865.76	4 yrs	07/2021	02/2025	6,761.02
2021 Nissan Rogue - 1	Enterprise	28,365.30	4 yrs	07/2021	02/2025	6,018.32
2021 Nissan Rogue - 2	Enterprise	28,365.30	4 yrs	07/2021	02/2025	6,018.32
Mailing System	Quadient Smart IX	13,577.52	5 yrs	09/2021	08/2026	3,395.93
2022 Ford Explorer 4x4	Acme Auto Leasing Inc	40,752.00	4 yrs	10/2022	10/2027	22,329.45
2023 Nissan Rogue-2008127	Acme Auto Leasing Inc.	29,473.74	4 yrs	09/2023	09/2027	23,596.59
2023 Nissan Rogue-2008128	Acme Auto Leasing Inc.	29,473.74	4 yrs	09/2023	09/2027	23,596.59
2023 Nissan Rogue-2008129	Acme Auto Leasing Inc.	29,473.74	4 yrs	09/2023	09/2027	23,596.59
Canon 3	Canon	198,432.45	5 yrs	07/2023	07/2028	160,521.52
JA Discovery Center Kiosk	Junior Achievement of	9,666.62	2 yrs	07/2021	06/2023	-
Copiers	Canon	25,753.22	2 yrs	10/2021	10/2023	-
Copiers	Canon	70,851.75	3 yrs	06/2021	06/2024	-
2018 Ford Explorer Police Interceptor	Enterprise	3,159.49	1 yr	07/2021	07/2022	-
2017 Ford Explorer	Enterprise	5,911.60	1 yr	07/2021	07/2022	-
2018 Kia Sorento	Enterprise	2,717.53	1 yr	07/2021	07/2022	-
2018 Chevrolet Express 2500	Enterprise	3,344.59	1 yr	07/2021	07/2022	-
2019 Ram 1500 Classic SLT	Enterprise	12,831.96	2 yrs	07/2021	06/2023	-
2019 Dodge Caravan	Enterprise	9,672.60	2 yrs	07/2021	11/2022	-
2020 Nissan Pathfinder - 1	Enterprise	10,928.24	2 yrs	07/2021	11/2022	-
Total Leases		\$ <u>617,070.10</u>				\$ <u>282,704.06</u>

**Future Commitments**

Future commitments related to outstanding lease obligations as of June 30, 2024. were as follows:

Year Ending June 30:	Principal	Interest
2025	\$ 99,041.33	\$ 7,099.34
2026	71,871.61	4,095.83
2027	66,117.84	2,208.60
2028	<u>45,673.28</u>	<u>636.16</u>
Total Minimum Lease Payments	\$ <u>282,704.06</u>	\$ <u>14,039.93</u>

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**EXHIBIT "F"**

**Subscription Obligations**

There were no variable payments based on performance, nor termination penalties 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 subscription based information technology arrangements at June 30, 2024:

Description	Gross Amount (+)	Less Accumulated Amortization (-)	Net, Capital Assets Held Under Subscription Obligations at June 30, 2024 (=)	Outstanding Balance per Subscription Schedules at June 30, 2024
Subscription Based Information Technology Arrangements (SBITAs)	\$ 81,286.60	\$ 26,028.73	\$ 55,257.87	\$ 57,088.44

The following schedule lists the pertinent information for each of the College's subscription based information technology arrangements:

Description	Supplier	Original Principal	Term	Begin Month/Year	End Month/Year	Outstanding Principal
Watermark	Watermark Insights	\$ 22,432.89	2 years	09/23	09/25	\$ 11,649.14
Explorance Blue Account	Explorance Corp	58,853.71	4 years	09/23	09/27	45,439.30
Total Subscription-Based Information Technology Arrangements		\$ 81,286.60				\$ 57,088.44

**Future Commitments**

Future commitments related to outstanding subscription obligations as of June 30, 2024, were as follows:

Year Ending June 30:	Principal	Interest
2025	\$ 26,107.11	\$ 1,564.22
2026	14,931.11	848.89
2027	16,050.22	439.78
Total Minimum Subscription Payments	\$ 57,088.44	\$ 2,852.89



## **NOTE 10: RETIREMENT PLANS**

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.

### **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 of the *Official Code of Georgia Annotated* (O.C.G.A.) are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at [www.trsga.com/publications](http://www.trsga.com/publications).

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

**Contributions:** Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The College's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual payroll. College contributions to TRS were \$1,475,511.00 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 [www.ers.ga.gov/financials](http://www.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.

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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 the ERS plan.

**Contributions:** Member contributions under the old plan are 4% of annual compensation, up to \$4,200.00, plus 6% of annual compensation in excess of \$4,200.00. 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 College's contractually required contribution rate, actuarially determined annually, 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 \$2,012,066.00 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 totaling \$28,990,353.00. 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 0.049065%, which was a decrease of 0.003790% from its proportion measured as of June 30, 2022. At June 30, 2023, the College's ERS proportion was 0.243132%, which was an increase of 0.023939% from its proportion measured as of June 30, 2022.

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**EXHIBIT "F"**

For the year ended June 30, 2024, the College recognized pension expense of \$2,262,287.00 for TRS and \$4,439,933.00 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	\$ 735,584.00	\$ 59,895.00	\$ 220,321.00	\$ 33,987.00
Changes of assumptions	1,490,308.00	-	558,112.00	-
Net difference between projected and actual earnings on pension plan investments	1,018,846.00	-	590,855.00	-
Changes in proportion and differences between College contributions and proportionate share of contributions	18,900.00	1,393,339.00	686,578.00	-
College contributions subsequent to the measurement date	<u>1,475,511.00</u>	<u>-</u>	<u>2,012,066.00</u>	<u>-</u>
Total	<u>\$ 4,739,149.00</u>	<u>\$ 1,453,234.00</u>	<u>\$ 4,067,932.00</u>	<u>\$ 33,987.00</u>

The College's contributions subsequent to the measurement date for TRS and for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 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 Ended June 30:	TRS	ERS
2025	\$ 449,086.00	\$ 1,194,134.00
2026	\$ 132,769.00	\$ (82,797.00)
2027	\$ 1,669,215.00	\$ 1,180,722.00
2028	\$ (440,666.00)	\$ (270,180.00)

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**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
Cost of living adjustment	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 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

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Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 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:

<u>Asset class</u>	<u>TRS</u>		<u>ERS</u>	
	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	0.90%	30.00%	0.90%
Domestic large stocks	46.30%	9.40%	46.30%	9.40%
Domestic small stocks	1.20%	13.40%	1.20%	13.40%
International developed market stocks	12.30%	9.40%	12.30%	9.40%
International emerging market stocks	5.20%	11.40%	5.20%	11.40%
Alternative	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 pension liability was 6.90% and ERS pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plans' fiduciary net position were 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.

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***Sensitivity of the College'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 applicable 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:

<b>Teachers Retirement System:</b>	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
College's proportionate share of the net pension liability	\$ 22,904,202.00	\$ 14,486,095.00	\$ 7,611,578.00
<b>Employees' Retirement System:</b>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	\$ 19,902,866.00	\$ 14,504,258.00	\$ 9,961,157.00

***Pension Plan Fiduciary Net Position:*** Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and ERS financial reports which are publicly available at [www.trsga.com/publications](http://www.trsga.com/publications) and [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials), respectively.

**NOTE 11: RISK MANAGEMENT**

***Public Entity Risk Pool***

The Department of Community Health administers for the State of Georgia a program of health benefits for the employees of units of government of the State of Georgia, units of county governments, and local education agencies located with the State of Georgia. This plan is funded by participants covered in the plan, by employers' contributions paid by the various units of government participating in the plan.

***Other Risk Management***

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, as an organizational unit of the Technical College System of Georgia, 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.

**NOTE 12: 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 College 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

**NOTE 13: POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Georgia State Employees Post-Employment Health Benefit Fund (State OPEB Fund)**

***General Information about the State OPEB Fund***

***Plan Description:*** Employees of State organizations as defined in §45-18-25 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the State OPEB Fund - a cost-sharing multiple-employer defined benefit post-employment healthcare plan, reported as an employee benefit trust fund and administered by a Board of Community Health (Board). Title 45 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

***Benefits Provided:*** The State OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with Department of Community Health (DCH) for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from one of the State's retirement plans. If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The State OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

***Contributions:*** As established by the Board, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the College were \$1,998,391.00 for the year ended June 30, 2024. Active employees are not required to contribute to the State OPEB Fund.



LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024

EXHIBIT "F"

***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 of \$1,300,656.00 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 June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The College's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the College's proportion was 0.458878%, which was a decrease of 0.002452% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized a credit to OPEB expense of \$459,400.00. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,681.00	\$ 1,351,398.00
Changes of assumptions	640,088.00	5,921.00
Net difference between projected and actual earnings on OPEB plan investments	93,378.00	-
Changes in proportion and differences between contributions and proportionate share of contributions	107,205.00	51,304.00
Contributions subsequent to the measurement date	1,998,391.00	-
Total	\$ 2,883,743.00	\$ 1,408,623.00

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 OPEB liability in the year ended 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 Ended June 30:

2025	\$ (511,604.00)
2026	\$ (127,451.00)
2027	\$ 215,292.00
2028	\$ (99,508.00)

LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024

EXHIBIT "F"

**Actuarial Assumptions:** The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases	3.00% - 6.75%, including inflation
Long-term expected rate of return	7.00%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	7.00%
Ultimate trend rate	4.00%
Year of Ultimate trend rate	2032

Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2019 and adopted by the pension Board on December 17, 2020.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024

EXHIBIT "F"

The long-term expected rate of return on OPEB 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 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:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed Income	30.00%	1.50%
Equities	70.00%	9.40%
Total	100.00%	

\*Net of Inflation

**Discount Rate:** In order to measure the total OPEB liability, as of June 30, 2023, for the State OPEB Fund, a single equivalent rate of 7.00% was used, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Based on those assumptions, the 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Projected future benefit payments for all current plan members were projected through 2122.

**Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:** The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 7.00%, 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-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB liability	\$ 2,330,953.00	\$ 1,300,656.00	\$ 412,955.00

LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024

EXHIBIT "F"

**Sensitivity of the College’s Proportionate Share 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-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$ 271,582.00	\$ 1,300,656.00	\$ 2,509,004.00

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan’s fiduciary net position is available in the 2022 State of Georgia Annual Comprehensive Financial Report (ACFR) which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

**Post-Employment Benefits Other Than Pensions (SEAD – OPEB)**

**General Information about the SEAD-OPEB Fund**

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

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

**Contributions:** Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of one percent of the member’s earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2024.

LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024

EXHIBIT "F"

***OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2024, the College reported an asset of \$398,391.00 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2022. An expected total OPEB asset as of June 30, 2023 was determined using standard roll-forward techniques. The College's proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2023. At June 30, 2023, the College's proportion was 0.090337%, which was an increase of 0.008911% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized a credit to OPEB expense of \$35,114.00. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SEAD - OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,545.00	\$ -
Net difference between projected and actual earnings on OPEB plan investments	21,532.00	16,293.00
Total	\$ 24,077.00	\$ 16,293.00

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

Year Ended June 30:	SEAD - OPEB
2025	\$ (16,887.00)
2026	\$ (7,345.00)
2027	\$ 41,951.00
2028	\$ (9,935.00)

***Actuarial Assumptions:*** The total OPEB asset 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:

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

LANIER TECHNICAL COLLEGE  
RELATED FINANCIAL NOTES  
JUNE 30, 2024

EXHIBIT "F"

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 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 OPEB 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 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 asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.90%
Domestic large equities	46.30%	9.40%
Domestic small equities	1.20%	13.40%
International developed market equities	12.30%	9.40%
International emerging market equities	5.20%	11.40%
Alternatives	5.00%	10.50%
Total	100.00%	

\* Rates shown are net of inflation

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

LANIER TECHNICAL COLLEGE  
 RELATED FINANCIAL NOTES  
 JUNE 30, 2024

EXHIBIT "F"

**Sensitivity of the College's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate:** The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net OPEB asset	\$ 280,856.00	\$ 398,391.00	\$ 494,849.00

**OPEB Plan Fiduciary Net Position:** Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS annual comprehensive financial report which is publicly available at [www.ers.ga.gov/financials](http://www.ers.ga.gov/financials).



**Supplementary Information**

LANIER TECHNICAL COLLEGE  
BALANCE SHEET (STATUTORY BASIS)  
BUDGET FUND  
JUNE 30, 2024

SCHEDULE "1"

ASSETS

Accounts Receivable		
Federal Financial Assistance	\$	987,747.81
Other		3,844,666.17
Prepaid Expenditures		38,803.39
Inventories		114,899.15
		114,899.15
Total Assets	\$	4,986,116.52

LIABILITIES AND FUND BALANCES

Liabilities		
Cash Overdraft	\$	1,538,689.01
Salaries Payable		171,945.51
Accounts Payable		686,748.12
Encumbrance Payable		851,816.64
Advances		1,329,562.53
Funds Held for Others		3,527.24
Total Liabilities		4,582,289.05
Fund Balances		
Reserved		
Federal Financial Assistance		638.02
Refunds to Grantors		39,279.00
Local Grants and Contracts		48,870.04
Sales and Services		1,477.64
Live Work Projects		101,229.58
Prior Year Local Funds		6,625.74
Continuing Education		874.11
Technology Fees		1,324.23
Tuition		178,846.98
Unreserved		
Surplus		24,662.13
Total Fund Balances		403,827.47
Total Liabilities and Fund Balances	\$	4,986,116.52

Statutory Basis financial information was 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.

LANIER TECHNICAL COLLEGE  
SUMMARY BUDGET COMPARISON SURPLUS ANALYSIS REPORT (STATUTORY BASIS)  
BUDGET FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SCHEDULE "2"

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
State Appropriation			
State General Funds	\$ 14,774,915.00	\$ 14,774,915.00	\$ -
Federal Funds	3,298,621.29	2,510,893.00	(787,728.29)
Other Funds	24,560,346.24	20,082,071.77	(4,478,274.47)
Total Revenues	42,633,882.53	37,367,879.77	(5,266,002.76)
<u>ADJUSTMENTS AND PROGRAM TRANSFERS</u>			
<u>CARRY-OVER FROM PRIOR YEAR</u>			
Transfer from Reserved Fund Balance	-	775,968.39	775,968.39
Total Funds Available	42,633,882.53	38,143,848.16	(4,490,034.37)
<u>EXPENDITURES</u>			
Adult Literacy	2,014,328.92	1,886,676.23	127,652.69
Technical Education	37,593,564.58	32,690,655.81	4,902,908.77
Workforce Development	30,800.00	26,550.00	4,250.00
Economic Development	2,995,189.03	2,536,898.71	458,290.32
Total Expenditures	42,633,882.53	37,140,780.75	5,493,101.78
Excess of Funds Available over Expenditures	\$ -	1,003,067.41	\$ 1,003,067.41
<u>FUND BALANCE JULY 1</u>			
Reserved		862,250.49	
Unreserved		33,998.23	
<u>ADJUSTMENTS</u>			
Prior Year Payables/Expenditures		(717,371.65)	
Prior Year Receivables/Revenues		33,466.37	
Unreserved Fund Balance (Surplus) Returned			
From the Technical Colleges			
Year Ended June 30, 2023		(33,998.23)	
Refunds to Grantors			
Federal Financial Assistance Returned to			
Technical College System of Georgia			
Year Ended June 30, 2023		(1,616.76)	
Prior Year Reserved Fund Balance Included in Funds Available		(775,968.39)	
<u>FUND BALANCE JUNE 30</u>		\$ 403,827.47	
<u>SUMMARY OF FUND BALANCE</u>			
Reserved			
Federal Financial Assistance	\$	638.02	
Refunds to Grantors		39,279.00	
Local Grants and Contracts		48,870.04	
Sales and Services		1,477.64	
Live Work Projects		101,229.58	
Prior Year Local Funds		6,625.74	
Continuing Education		874.11	
Technology Fees		1,324.23	
Tuition		178,846.98	
Total Reserved		379,165.34	
Unreserved			
Surplus		24,662.13	
Total Fund Balance	\$	403,827.47	

Statutory Basis financial information was 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.

LANIER TECHNICAL COLLEGE

SCHEDULE "3"

STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET BY PROGRAM AND FUNDING SOURCE  
(STATUTORY BASIS) BUDGET FUND  
YEAR ENDED JUNE 30, 2024

	<u>Original Appropriation</u>	<u>Amended Appropriation</u>	<u>Final Budget</u>	<u>Current Year Revenues</u>
Adult Literacy				
State Appropriation				
State General Funds	\$ 640,582.00	\$ 654,983.00	\$ 654,983.00	\$ 654,983.00
Federal Funds				
Federal Funds Not Specifically Identified	1,155,300.00	1,174,000.00	1,174,311.81	1,105,281.41
Other Funds	<u>255,561.00</u>	<u>255,561.00</u>	<u>185,034.11</u>	<u>123,872.87</u>
Total Adult Literacy	<u>2,051,443.00</u>	<u>2,084,544.00</u>	<u>2,014,328.92</u>	<u>1,884,137.28</u>
Technical Education				
State Appropriations				
State General Funds	13,355,896.00	14,094,003.00	14,094,003.00	14,094,003.00
State General Funds-MRR	574,647.00	-	-	-
Federal Funds				
Federal Funds Not Specifically Identified	628,690.00	628,690.00	2,093,508.75	1,379,061.59
CARES Act - Higher Education	-	-	0.73	-
Other Funds	<u>17,736,960.00</u>	<u>17,736,960.00</u>	<u>21,406,052.10</u>	<u>17,776,025.00</u>
Total Technical Education	<u>32,296,193.00</u>	<u>32,459,653.00</u>	<u>37,593,564.58</u>	<u>33,249,089.59</u>
Workforce Development				
Federal Funds				
Federal Funds Not Specifically Identified	36,394.00	-	-	-
CARES Act - Higher Education	-	-	30,800.00	26,550.00
Total Workforce Development	<u>36,394.00</u>	<u>-</u>	<u>30,800.00</u>	<u>26,550.00</u>
Economic Development				
State Appropriation				
State General Funds	-	25,929.00	25,929.00	25,929.00
Other Funds	<u>2,615,048.00</u>	<u>2,664,000.00</u>	<u>2,969,260.03</u>	<u>2,182,173.90</u>
Total Economic Development	<u>2,615,048.00</u>	<u>2,689,929.00</u>	<u>2,995,189.03</u>	<u>2,208,102.90</u>
Totals by Program	<u>\$ 36,999,078.00</u>	<u>\$ 37,234,126.00</u>	<u>\$ 42,633,882.53</u>	<u>\$ 37,367,879.77</u>

Statutory Basis financial information was 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.

Funds Available Compared to Budget				Expenditures Compared to Budget		Excess of Funds Available Over Expenditures
Prior Year Carry-Over	Adjustments and Program Transfers	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive	
\$ -	\$ -	\$ 654,983.00	\$ -	\$ 648,601.95	\$ 6,381.05	\$ 6,381.05
-	-	1,105,281.41	(69,030.40)	1,105,281.41	69,030.40	-
<u>8,920.00</u>	<u>-</u>	<u>132,792.87</u>	<u>(52,241.24)</u>	<u>132,792.87</u>	<u>52,241.24</u>	<u>-</u>
<u>8,920.00</u>	<u>-</u>	<u>1,893,057.28</u>	<u>(121,271.64)</u>	<u>1,886,676.23</u>	<u>127,652.69</u>	<u>6,381.05</u>
-	-	14,094,003.00	-	14,092,347.00	1,656.00	1,656.00
-	-	-	-	-	-	-
-	-	1,379,061.59	(714,447.16)	1,373,044.41	720,464.34	6,017.18
-	-	-	(0.73)	-	0.73	-
<u>436,724.94</u>	<u>-</u>	<u>18,212,749.94</u>	<u>(3,193,302.16)</u>	<u>17,225,264.40</u>	<u>4,180,787.70</u>	<u>987,485.54</u>
<u>436,724.94</u>	<u>-</u>	<u>33,685,814.53</u>	<u>(3,907,750.05)</u>	<u>32,690,655.81</u>	<u>4,902,908.77</u>	<u>995,158.72</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>26,550.00</u>	<u>(4,250.00)</u>	<u>26,550.00</u>	<u>4,250.00</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>26,550.00</u>	<u>(4,250.00)</u>	<u>26,550.00</u>	<u>4,250.00</u>	<u>-</u>
-	-	25,929.00	-	25,879.00	50.00	50.00
<u>330,323.45</u>	<u>-</u>	<u>2,512,497.35</u>	<u>(456,762.68)</u>	<u>2,511,019.71</u>	<u>458,240.32</u>	<u>1,477.64</u>
<u>330,323.45</u>	<u>-</u>	<u>2,538,426.35</u>	<u>(456,762.68)</u>	<u>2,536,898.71</u>	<u>458,290.32</u>	<u>1,527.64</u>
\$ <u>775,968.39</u>	\$ <u>-</u>	\$ <u>38,143,848.16</u>	\$ <u>(4,490,034.37)</u>	\$ <u>37,140,780.75</u>	\$ <u>5,493,101.78</u>	\$ <u>1,003,067.41</u>

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LANIER TECHNICAL COLLEGE  
STATEMENT OF CHANGES TO FUND BALANCE BY PROGRAM AND FUNDING SOURCE  
(STATUTORY BASIS) BUDGET FUND  
YEAR ENDED JUNE 30, 2024

SCHEDULE "4"

	Beginning Fund Balance July 1	Fund Balance Carried Over from Prior Period as Funds Available	Return of Fiscal Year 2023 Surplus	Prior Period Adjustments
Adult Literacy				
State Appropriation				
State General Funds	\$ 6,383.07	\$ -	\$ (6,383.07)	\$ 361.90
Federal Funds				
Federal Funds Not Specifically Identified	-	-	-	(29,279.55)
Other Funds	<u>10,744.32</u>	<u>(8,920.00)</u>	<u>(1,824.32)</u>	<u>(6,280.07)</u>
Total Adult Literacy	<u>17,127.39</u>	<u>(8,920.00)</u>	<u>(8,207.39)</u>	<u>(35,197.72)</u>
Technical Education				
State Appropriation				
State General Funds	4,478.44	-	(4,478.44)	1,656.00
Federal Funds				
Federal Funds Not Specifically Identified	-	-	-	(5,379.16)
Other Funds	<u>458,037.34</u>	<u>(436,724.94)</u>	<u>(21,312.40)</u>	<u>(649,968.17)</u>
Total Technical Education	<u>462,515.78</u>	<u>(436,724.94)</u>	<u>(25,790.84)</u>	<u>(653,691.33)</u>
Economic Development				
State Appropriation				
State General Funds	-	-	-	-
Other Funds	<u>330,323.45</u>	<u>(330,323.45)</u>	<u>-</u>	<u>4,983.77</u>
Total Technical Education	<u>330,323.45</u>	<u>(330,323.45)</u>	<u>-</u>	<u>4,983.77</u>
Total Operating Activity	809,966.62	(775,968.39)	(33,998.23)	(683,905.28)
Prior Year Reserves				
Not Available for Expenditure				
Refunds to Grantors	<u>86,282.10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals by Program	<u>\$ 896,248.72</u>	<u>\$ (775,968.39)</u>	<u>\$ (33,998.23)</u>	<u>\$ (683,905.28)</u>

Statutory Basis financial information was 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.

Other Adjustments	Early Return of Fiscal Year 2024 Surplus	Excess of Funds Available Over Expenditures	Ending Fund Balance June 30	Analysis of Ending Fund Balance		
				Reserved	Fiscal Year 2024 Surplus	Total
\$ (460.50)	\$ -	\$ 6,381.05	\$ 6,282.45	\$ -	\$ 6,282.45	\$ 6,282.45
29,279.55	-	-	-	-	-	-
56,150.90	-	-	49,870.83	48,870.04	1,000.79	49,870.83
<u>84,969.95</u>	<u>-</u>	<u>6,381.05</u>	<u>56,153.28</u>	<u>48,870.04</u>	<u>7,283.24</u>	<u>56,153.28</u>
-	-	1,656.00	3,312.00	-	3,312.00	3,312.00
-	-	6,017.18	638.02	638.02	-	638.02
<u>(34,599.84)</u>	<u>-</u>	<u>987,485.54</u>	<u>302,917.53</u>	<u>288,900.64</u>	<u>14,016.89</u>	<u>302,917.53</u>
<u>(34,599.84)</u>	<u>-</u>	<u>995,158.72</u>	<u>306,867.55</u>	<u>289,538.66</u>	<u>17,328.89</u>	<u>306,867.55</u>
-	-	50.00	50.00	-	50.00	50.00
<u>(4,983.77)</u>	<u>-</u>	<u>1,477.64</u>	<u>1,477.64</u>	<u>1,477.64</u>	<u>-</u>	<u>1,477.64</u>
<u>(4,983.77)</u>	<u>-</u>	<u>1,527.64</u>	<u>1,527.64</u>	<u>1,477.64</u>	<u>50.00</u>	<u>1,527.64</u>
45,386.34	-	1,003,067.41	364,548.47	339,886.34	24,662.13	364,548.47
<u>(47,003.10)</u>	<u>-</u>	<u>-</u>	<u>39,279.00</u>	<u>39,279.00</u>	<u>-</u>	<u>39,279.00</u>
<u>\$ (1,616.76)</u>	<u>\$ -</u>	<u>\$ 1,003,067.41</u>	<u>\$ 403,827.47</u>	<u>\$ 379,165.34</u>	<u>\$ 24,662.13</u>	<u>\$ 403,827.47</u>

Summary of Ending Fund Balance

Reserved

Federal Financial Assistance	\$ 638.02	\$ -	\$ 638.02
Refunds to Grantors	39,279.00	-	39,279.00
Local Grants and Contracts	48,870.04	-	48,870.04
Sales and Services	1,477.64	-	1,477.64
Live Work Projects	101,229.58	-	101,229.58
Prior Year Local Funds	6,625.74	-	6,625.74
Continuing Education	874.11	-	874.11
Technology Fees	1,324.23	-	1,324.23
Tuition	178,846.98	-	178,846.98
Unreserved			
Surplus	-	24,662.13	24,662.13
Total Ending Fund Balance - June 30	\$ 379,165.34	\$ 24,662.13	\$ 403,827.47



## Section II

### Entity's Response To Prior Year Findings And Questioned Costs

**LANIER TECHNICAL COLLEGE  
ENTITY'S RESPONSE  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

### **Section III**

#### **Findings, Questioned Costs and Other Items**

LANIER TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER ITEMS  
YEAR ENDED JUNE 30, 2024

**FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FA 2024-001 Improve Controls over Unofficial Withdrawals**

<b>Compliance Requirement:</b>	Special Tests and Provisions
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U.S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>AL Numbers and Titles:</b>	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program
<b>Federal Award Numbers:</b>	P007A238428 (Year: 2024), P033A238428 (Year: 2024), P063P232612 (Year: 2024)
<b>Questioned Costs:</b>	\$3,742

**Description:**

Lanier Technical College did not properly identify and return unearned Title IV funds for students who unofficially withdrew from classes.

**Background Information:**

Student financial assistance, or Title IV, funds are awarded by Lanier Technical College (Technical College) to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive. If a recipient of Title IV grant or loan funds withdraws from a school after beginning attendance, the school must perform a Return of Title IV (R2T4) calculation to determine the amount of Title IV assistance earned by the student. Up through the 60% point in each period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. After the 60% point in the period of enrollment, a student is considered to have earned 100% of the Title IV funds the student was scheduled to receive during the period.

An unofficial withdrawal is one in which the Technical College has not received notice from the student that the student has ceased or will cease attending the school. Schools must have a procedure in place to determine when a student who began attendance and received or could have received an initial disbursement of Title IV funds officially withdrew. For these unofficial withdrawals, the Technical College must also determine a withdrawal date, which may be the midpoint of the period of enrollment or the last date of an academically related activity in which the student participated.

**LANIER TECHNICAL COLLEGE**  
**SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER ITEMS**  
**YEAR ENDED JUNE 30, 2024**

**Criteria:**

As a recipient of federal awards, the Technical College is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Provisions included in Title 34 CFR Section 668.22 provide requirements over the treatment of Title IV funds when a student withdraws. The Technical College is required to determine the amount of Title IV funds that the student earned as of the student's withdrawal date when a recipient of Title IV funds withdraws from the Technical College during a payment period or period of enrollment in which the recipient began attendance. A refund must be returned to Title IV programs when the total amount of the Title IV grant or loan assistance, or both, that the student earned is less than the amount of the Title IV grant and/or loan assistance that was disbursed to the student as of the withdrawal date.

Additionally, provisions included in Title 34 CFR Section 668.22(j) address the timeframe for the return of title IV funds and state “(1) An institution must return the amount of title IV funds for which it is responsible... as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew... (2) For an institution that is not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the – (i) Payment period or period of enrollment... (ii) Academic year in which the student withdrew; or (iii) Educational program from which the student withdrew.”

**Condition:**

A sample of 14 students from a population of 140 students who received student financial assistance (SFA) for the Fall 2023 and Spring 2024 semesters and withdrew from the Technical College but for whom no R2T4 calculation was performed was randomly selected for testing using a non-statistical sampling method. Attendance and withdrawal records were reviewed to determine if a refund should have been calculated for these students. Our examination revealed that R2T4 calculations were not performed appropriately for five students who unofficially withdrew during the Spring 2024 semester. These students should have been required to return a total of \$3,742 to various SFA programs.

**Questioned Costs:**

Upon testing a sample of \$27,821 in financial aid disbursements to students who withdrew from the Technical College but for whom no R2T4 was performed, known questioned costs of \$3,742 were identified for omitted R2T4 calculations. Using the total population amount of \$286,243, we project the likely questioned costs to be approximately \$38,502. The following assistance listing number was affected by the known and likely questioned costs: 84.063.

**Cause:**

In discussing these deficiencies with management, they stated that staff turnover and unexpected absences led to the deficiencies identified.

**Effect or Potential Effect:**

The Technical College is not in compliance with the federal regulations concerning performing R2T4 procedures. This deficiency may expose the Technical College to unnecessary financial strains and shortages. Unearned Title IV funds must be returned to the U.S. Department of Education (ED). Though the Technical College may attempt to collect the funds from individual students affected by the error, these collection efforts could be unsuccessful as the students may no longer attend the Technical

LANIER TECHNICAL COLLEGE  
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND OTHER ITEMS  
YEAR ENDED JUNE 30, 2024

College and/or fail to repay the funds. Additionally, failing to identify withdrawn students, not performing R2T4 calculations, and/or not returning unearned Title IV funds to ED in a timely manner may result in adverse actions and impact the Technical College's participation in Title IV programs.

**Recommendation:**

The Technical College should follow established policies and procedures to ensure that students who unofficially withdrew and received Title IV funds are identified and the required R2T4 calculations are performed. Management should also develop and implement a monitoring process to ensure that controls are operating properly. The Technical College should contact ED regarding resolution of the finding, as well.

**View of Responsible Officials:**

We concur with this finding.

**OTHER ITEMS**

No matters were reported.

## Section IV

### Management's Corrective Action



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Office of the President

## FA 2024-001 Improve Controls over Unofficial Withdrawals

<b>Compliance Requirement:</b>	Special Tests and Provisions
<b>Internal Control Impact:</b>	Significant Deficiency
<b>Compliance Impact:</b>	Nonmaterial Noncompliance
<b>Federal Awarding Agency:</b>	U.S. Department of Education
<b>Pass-Through Entity:</b>	None
<b>AL Numbers and Titles:</b>	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program
<b>Federal Award Numbers:</b>	P007A238428 (Year: 2024), P033A238428 (Year: 2024), P063P232612 (Year: 2024)
<b>Questioned Costs:</b>	\$3,742

### Description:

Lanier Technical College did not properly identify and return unearned Title IV funds for students who unofficially withdrew from classes.

### Corrective Action Plans:

The Financial Aid Office has worked with the Registrar's Office to streamline the collection, review, and processing of students who are unofficial withdrawals. Streamlining the unofficial withdrawal process will allow for timely and accurate reporting, return to title IV, and reconciliation of funds between Lanier Technical College and COD.

**Estimated Completion Date:** (11/20/2024)

**Contact Person:** Courtney Ray

**Title:** Financial Aid Director

**Phone Number:** 770-533-7017

**Email:** [cray@laniertech.edu](mailto:cray@laniertech.edu)

Signature:  \_\_\_\_\_

Title: President, Lanier Technical College