

# **GORDON STATE COLLEGE**

Annual Financial Report  
Fiscal Year 2022



**GORDON STATE COLLEGE**  
**TABLE OF CONTENTS**  
**For the Fiscal Year Ended June 30, 2022**

<b>Financial Section</b> .....	
Independent Accountant's Review Report .....	5
Management's Discussion and Analysis .....	7
Financial Statements (GAAP Basis) .....	
Statement of Net Position .....	20
Statement of Revenues, Expenses, and Changes in Net Position .....	22
Statement of Cash Flows .....	24
Statement of Fiduciary Net Position .....	27
Statement of Changes in Fiduciary Net Position .....	28
Notes to the Financial Statements .....	30
<b>Required Supplementary Information</b> .....	
Schedule of Contributions for Defined Benefit Pension Plan .....	58
Schedule of Proportionate Share of Net Pension Liability .....	59
Notes to the Required Supplemental Information for Pension Plans .....	60
Schedule of Contributions for OPEB Plan .....	61
Schedule of Proportionate Share of the Net OPEB Liability .....	62
Notes to the Required Supplemental Information for OPEB Plan .....	63
<b>Supplementary Information</b> .....	
Balance Sheet (Non-GAAP Basis) .....	65
Statement of Funds Available and Expenditures Compared to Budget (Non-GAAP Basis) .....	66
Statement of Changes to Fund Balance by Program and Funding Source (Non-GAAP Basis) .....	68

# Introductory Section



Message from the President:

On behalf of the students, faculty, staff, alumni, and supporters of Gordon State College, I am pleased to report that Fiscal Year 2022 was a successful year. Gordon State College is now becoming a destination school for prepared and committed students who seek a comprehensive educational experience that will prepare them to contribute positively to the communities in which they live and work.

A few highlights from this past year substantiate that Gordon State College is an institution on the rise: Enrollment Fall semester 2021 had a headcount of 3,101 and a FTE of 2,454 and spring semester 2022 had a headcount of 2,643 and a FTE of 2,049.

***Value***

In recent years, Gordon State College has offered one of the lowest in-state tuition and fees. Gordon State College students can earn a quality baccalaureate degree in a great learning environment with annual tuition and fees of less than \$5,000, saving them thousands of dollars compared to many other institutions in the State.

***Strategic Direction***

During Fiscal Year 2022, Gordon State College completed the third year of a five-year Strategic Plan entitled, Building the Power of WE.

The institution identified five values that will shape its culture - Student Focused, Excellence, Life-Long Learning/Scholarship, Respect, and Collaboration.

Year Three accomplishments can be viewed at the following link:

<https://www.gordonstate.edu/documents/departments/president/end-of-year-report-fy22.pdf>

In Year Four (FY23) the institution will continue focusing its energies and resources toward three strategic imperatives:

Strategic Imperative 1 - Establish a distinctive identity built on a collaborative campus culture supported by our institutional values.

Strategic Imperative 2 - Promote student excellence throughout the academic journey.

Strategic Imperative 3 - Strengthen community engagement and partnerships

On behalf of Gordon State College's faculty, staff, students, and alumni, I thank you for your support.

  
Dr. Kirk A. Nooks, President

## Letter of Transmittal



To: Kirk A. Nooks, Ed.D.  
President  
Gordon State College

The Annual Financial Report (AFR) for the Gordon State College includes the financial statements for the year ended June 30, 2022, as well as other useful information to help ensure the Institution's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the Institution's financial position as a result of operations for the fiscal year ended June 30, 2022.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Stephens', with a stylized flourish at the end.

Bryan Stephens  
Vice President for Finance and Administration/Chief Business Officer  
Gordon State College

# Financial Section



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia  
Members of the General Assembly of the State of Georgia  
Members of the State Board of Regents of the  
University System of Georgia  
and  
Dr. Kirk Nooks, President  
Gordon State College

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Accountant's Responsibility***

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

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

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

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



### ***Required Supplementary Information***

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

### ***Other Matters***

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

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

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

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

Respectfully submitted,



Greg S. Griffin  
State Auditor

September 9, 2022

# **GORDON STATE COLLEGE**

## **Management's Discussion and Analysis**

### **Introduction**

Gordon State College is one of the 26 institutions of higher education in the University System of Georgia. The College is located in Barnesville, Georgia, was founded in 1852 and has become known for its quality instructional programs. The College began as a military college and after several transformations, joined the USG in 1972 as an associate level institution with a distinctive legacy of excellence in scholarship and service. Gordon State College was considered a two-year residence college from 1972 until May 2006 when the Board of Regents approved a change in the College's mission to become a State College. With this change, Gordon State College now offers bachelor's degrees covering a variety of subject areas. The institution's student enrollment numbers trended slightly down in FY22 when compared to previous years as shown below:

	STUDENT HEADCOUNT	STUDENT FTE
FY 2022	3,101	2,454
FY 2021	3,231	2,661
FY 2020	3,495	2,967

### **Overview of the Financial Statements and Financial Analysis**

Gordon State College is pleased to present its financial statements for fiscal year 2022. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. This discussion and analysis of the College's financial statements provides an overview of its financial activities for the year. Comparative data is provided for fiscal year 2022 and fiscal year 2021.

### **Statement of Net Position**

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

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of Gordon State College and how much Gordon State College owes vendors. The difference between assets and liabilities (net position) is one indicator of Gordon State College's financial health. Increases or decreases in net position provide an indicator of the improvement or decline of Gordon State College's financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment. Net Position is divided into three major categories. The first category, net investment in capital assets, provides Gordon State College's equity in property, plant and equipment owned by Gordon State College.

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

The final category is unrestricted. Unrestricted resources are available to Gordon State College for any lawful purpose.

CONDENSED STATEMENT OF NET POSITION		June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Change
ASSETS					
Current Assets	\$	12,317,454	\$ 14,164,186	\$ (1,846,732)	(13.04)%
Capital Assets, Net		72,323,764	76,288,193	(3,964,429)	(5.20)%
Intangible Right-to-Use Assets, Net		265,940	—	265,940	100 %
Other Assets		392,553	355,149	37,404	10.53 %
<b>TOTAL ASSETS</b>		<b>85,299,711</b>	<b>90,807,528</b>	<b>(5,507,817)</b>	<b>(6.07)%</b>
DEFERRED OUTFLOWS		9,362,969	10,544,697	(1,181,728)	(11.21)%
LIABILITIES					
Current Liabilities		3,847,772	4,428,092	(580,320)	(13.11)%
Non-Current Liabilities		63,606,943	81,723,229	(18,116,286)	(22.17)%
<b>TOTAL LIABILITIES</b>		<b>67,454,715</b>	<b>86,151,321</b>	<b>(18,696,606)</b>	<b>(21.70)%</b>
DEFERRED INFLOWS		18,291,200	5,137,945	13,153,255	256.00 %
NET POSITION					
Net Investment in Capital Assets		38,144,657	40,346,598	(2,201,941)	(5.46)%
Restricted, Non-Expendable		—	—	—	— %
Restricted, Expendable		70,239	71,130	(891)	(1.25)%
Unrestricted		(29,298,131)	(30,354,769)	1,056,638	(3.48)%
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>8,916,765</b>	<b>\$ 10,062,959</b>	<b>\$ (1,146,194)</b>	<b>(11.39)%</b>

Total assets decreased \$(5,507,817) which was due to a decrease in current assets of \$(1,846,732), a decrease in net capital assets of \$(3,964,429), an increase in intangible rights-to-use assets of 265,940 and an increase in other assets of \$37,404.

Total deferred outflows of resources decreased by \$(1,181,728) which was primarily due to Gordon State College's proportionate share of the actuarially determined deferred loss on the USG's Other Post Employment Benefits (OPEB) plan and the defined benefit pension plans administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia.

Total liabilities decreased \$(18,696,606) which was due to a decrease in current liabilities of \$(580,320) and a decrease in non-current liabilities of \$(18,116,286).

Total deferred inflows of resources increased by \$13,153,255 which is primarily attributable to the increase in net pension liability of \$10,787,329. The substantial increase in net pension liabilities is related to the Teachers Retirement System of Georgia and Employees' Retirement System of Georgia changes in assumptions and an update in their respective experience studies as well as the change in College's proportionate share of the actuarially determined liability. The majority of the remaining increase is due to the College's proportionate share of the actuarially determined deferred gain on defined Other Post Employment Benefit Plans.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded a decrease in net position of \$(1,146,194).

#### Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by Gordon State College, both operating and non-operating, and the expenses paid by Gordon State College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by Gordon State College. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of Gordon State College. Operating expenses are those expenses paid to

acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of Gordon State College. Non-operating revenues are revenues received for which goods and services are not provided. For example state appropriations are non-operating because they are provided by the Legislature to Gordon State College without the Legislature directly receiving commensurate goods and services for those revenues.

<b>CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Operating Revenue	\$ 11,478,255	\$ 12,356,114	\$ (877,859)	(7.10)%
Operating Expense	40,686,256	38,123,050	2,563,206	6.72 %
Operating Income/Loss	(29,208,001)	(25,766,936)	(3,441,065)	13.35 %
Non-Operating Revenue and Expense	27,840,330	21,640,961	6,199,369	28.65 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	(1,367,671)	(4,125,975)	2,758,304	(66.85)%
Other Revenues, Expenses, Gains, Losses and Special Items	221,477	1,201,470	(979,993)	(81.57)%
Change in Net Position	(1,146,194)	(2,924,505)	1,778,311	(60.81)%
Net Position at Beginning of year	10,062,959	12,987,464	(2,924,505)	(22.52)%
Net Position at End of Year	\$ 8,916,765	\$ 10,062,959	\$ (1,146,194)	(11.39)%

The Statement of Revenues, Expenses and Changes in Net Position reflect a negative year, which is represented by a decrease in net position at the end of the year. Some highlights of the information presented on this statement are as follows:

#### **Revenues**

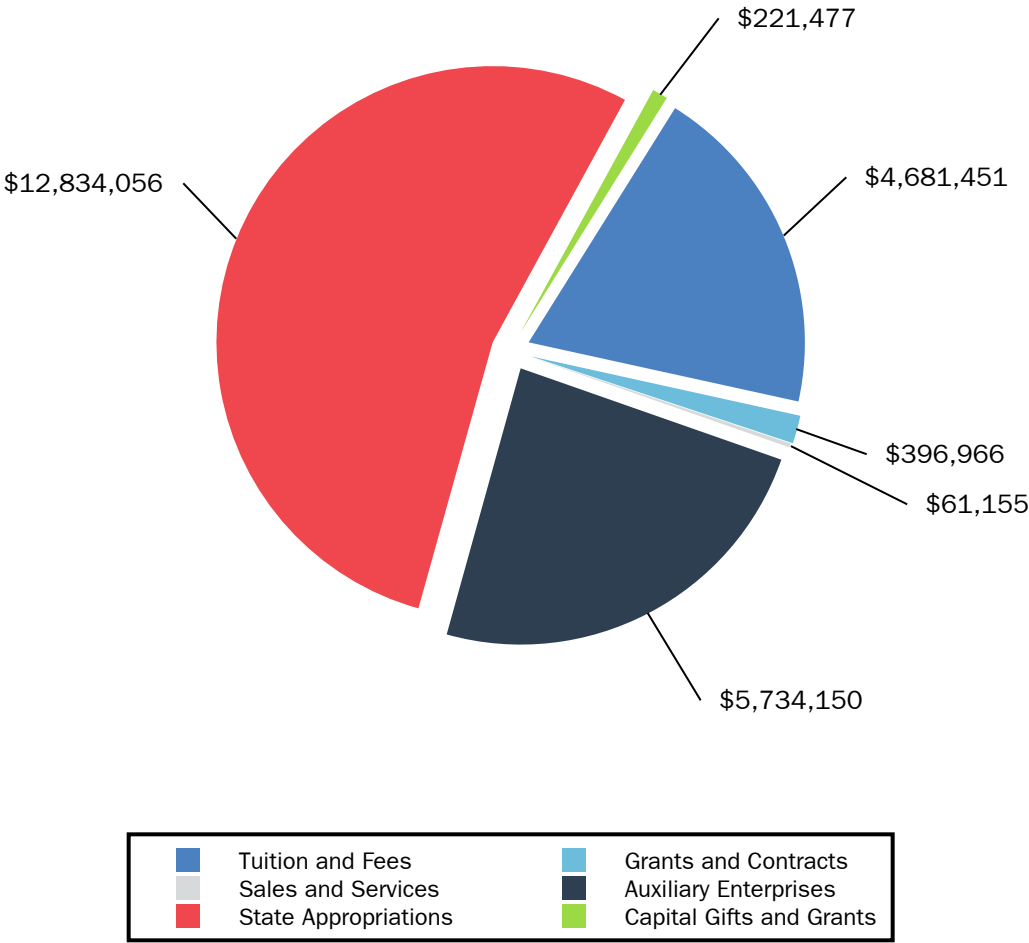
In fiscal year 2022, State Appropriations increased by \$1,051,594 up 8.93%, Grants and Contracts non-operating revenue increased by \$5,639,797, primarily due to higher revenue from the Higher Education Emergency Relief Funds II and III. Net tuition and fee revenues decreased by \$(734,661) (13.56)% during fiscal year 2022, primarily due to decreased enrollment.

For the years ended June 30, 2022 and June 30, 2021, revenues by source were as follows:

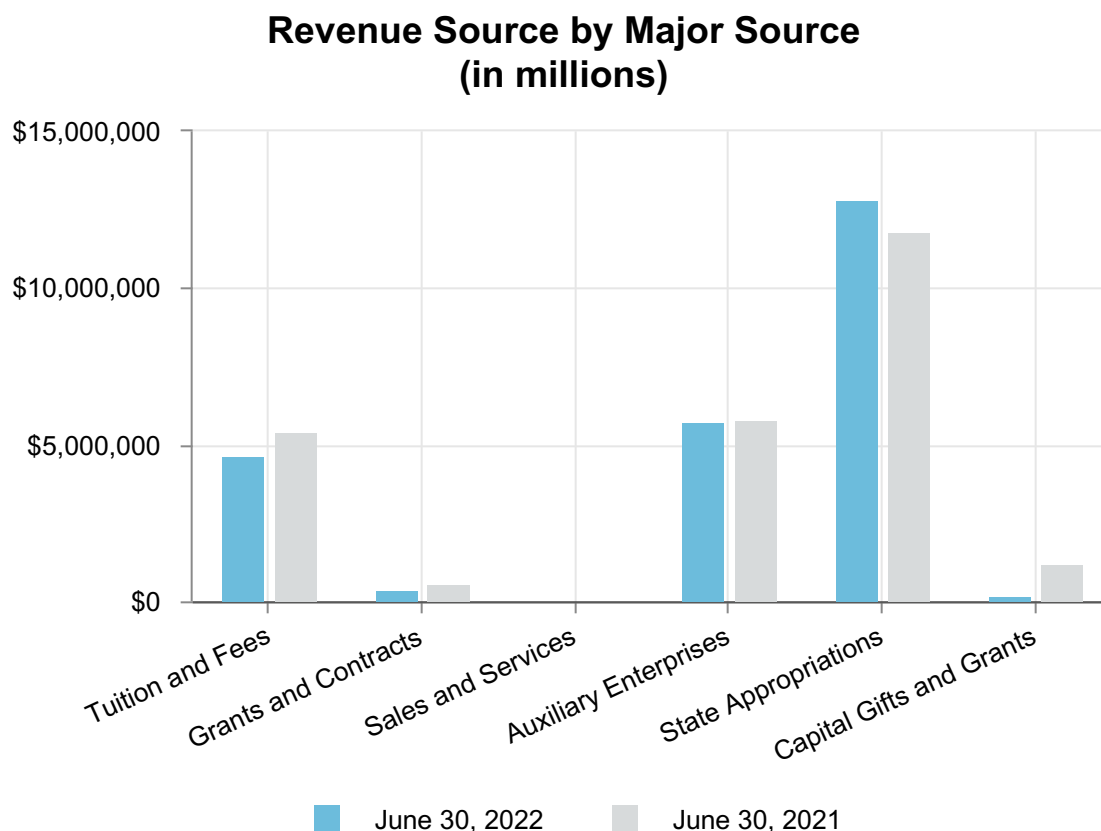
REVENUES BY SOURCE	June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 4,681,451	\$ 5,416,112	\$ (734,661)	(13.56)%
Federal Appropriations	—	—	—	0.00 %
Grants and Contracts	396,966	569,966	(173,000)	(30.35)%
Sales and Services	61,155	27,770	33,385	120.22 %
Auxiliary Enterprises	5,734,150	5,820,702	(86,552)	(1.49)%
Other Operating Revenues	604,533	521,564	82,969	15.91 %
<b>Total Operating Revenues</b>	<b>11,478,255</b>	<b>12,356,114</b>	<b>(877,859)</b>	<b>(7.10)%</b>
State Appropriations	12,834,056	11,782,462	1,051,594	8.93 %
Grants and Contracts	15,955,134	10,315,337	5,639,797	54.67 %
Gifts	727,138	940,545	(213,407)	(22.69)%
Investment Income	(79,760)	42,428	(122,188)	(287.99)%
Other Nonoperating Revenues	(230,856)	(8,152)	(222,704)	2,731.89 %
<b>Total Nonoperating Revenues</b>	<b>29,205,712</b>	<b>23,072,620</b>	<b>6,133,092</b>	<b>26.58 %</b>
State Capital Gifts and Grants	71,477	1,051,470	(979,993)	(93.20)%
Other Capital Gifts and Grants	150,000	150,000	—	0.00 %
<b>Total Capital Gifts and Grants</b>	<b>221,477</b>	<b>1,201,470</b>	<b>(979,993)</b>	<b>(81.57)%</b>
<b>Total Revenues</b>	<b>\$ 40,905,444</b>	<b>\$ 36,630,204</b>	<b>\$ 4,275,240</b>	<b>11.67 %</b>

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

Revenue by Major Source



Revenue by major source for the years ended June 30, 2022 and June 30, 2021 is depicted by the following chart:



## Expenses

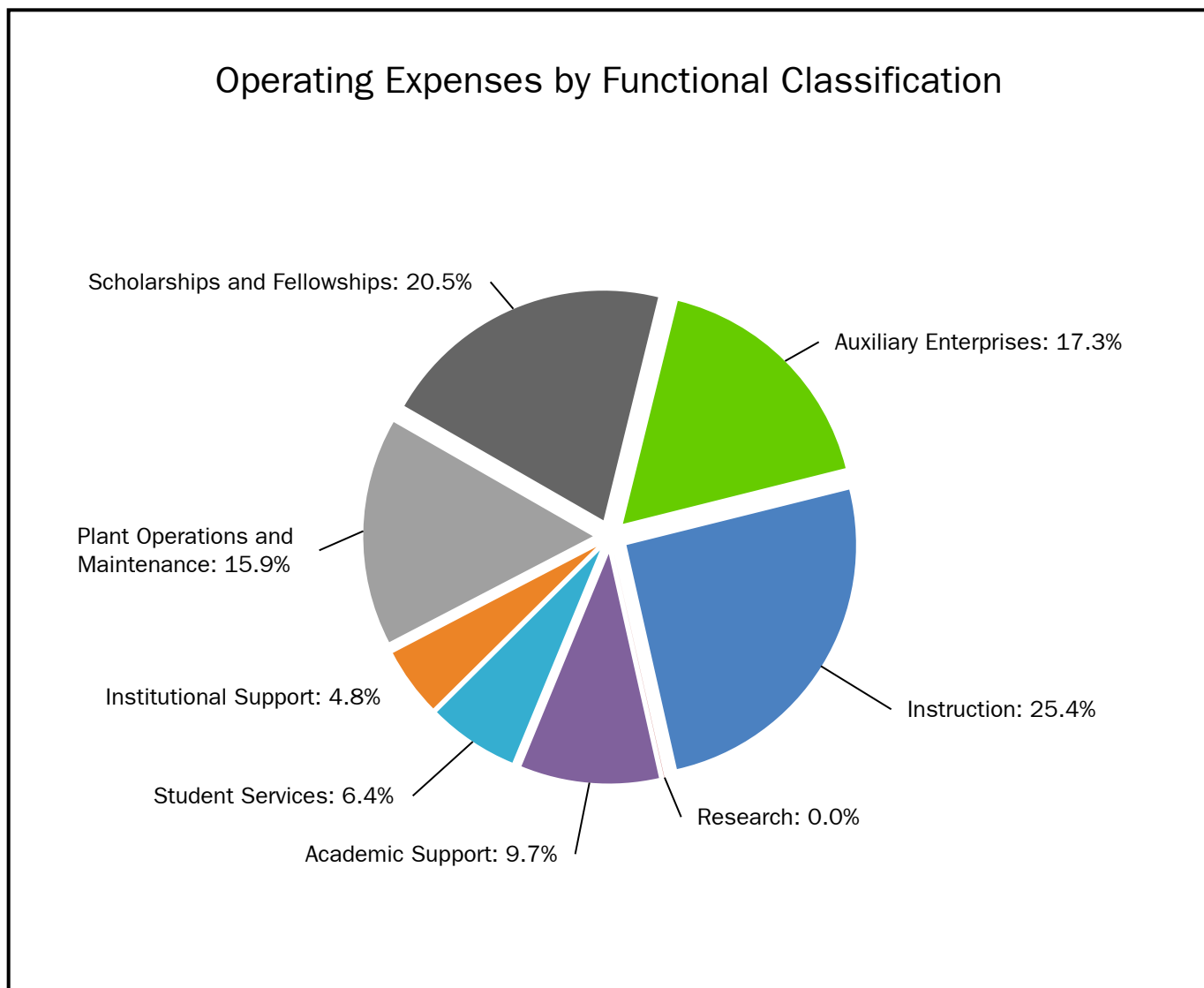
For the years ended June 30, 2022 and June 30, 2021 expenses by functional classification were as follows:

EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2022	June 30, 2021	Increase/ (Decrease)	% Change
Instruction	\$ 10,324,461	\$ 10,616,478	\$ (292,017)	(2.75)%
Research	1,690	8,769	(7,079)	(80.73)%
Public Service	—	—	—	— %
Academic Support	3,961,246	3,842,063	119,183	3.10 %
Student Services	2,581,495	2,473,222	108,273	4.38 %
Institutional Support	1,951,409	5,586,279	(3,634,870)	(65.07)%
Plant Operations and Maintenance	6,480,851	4,705,896	1,774,955	37.72 %
Scholarships and Fellowships	8,357,939	4,531,616	3,826,323	84.44 %
Auxiliary Enterprises	7,027,165	6,358,727	668,438	10.51 %
Unallocated Expenses	—	—	—	— %
<b>Total Operating Expenses</b>	<b>40,686,256</b>	<b>38,123,050</b>	<b>2,563,206</b>	<b>6.72 %</b>
Interest Expense	1,365,382	1,431,659	(66,277)	-4.63 %
<b>Total Nonoperating Expenses</b>	<b>1,365,382</b>	<b>1,431,659</b>	<b>(66,277)</b>	<b>(4.63)%</b>
<b>Total Expenses</b>	<b>\$ 42,051,638</b>	<b>\$ 39,554,709</b>	<b>\$ 2,496,929</b>	<b>6.31 %</b>

Total operating expenses were \$40,686,256 in fiscal year 2022, an increase of \$2,563,206 up 6.72% when compared with fiscal year 2021. This increase is primarily attributable to the following changes in functional classifications: increases in Auxiliary Enterprises of \$668,438; Plant Operations and Maintenance of \$1,774,955 and Scholarships and Fellowships in the amount of \$3,826,323 netted with the decrease in Institutional Support of \$3,634,870.

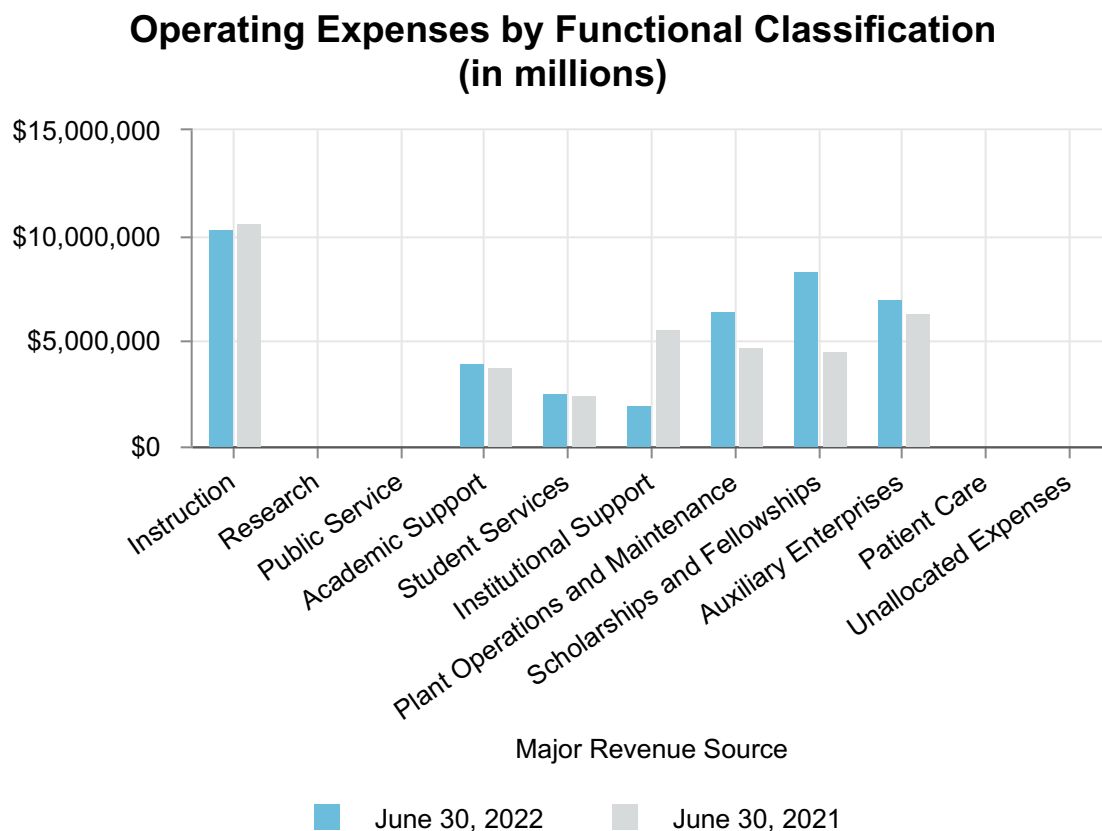
The largest increase is within the category of Scholarships and Fellowships which is primarily related to the disbursement of the Higher Education Emergency Relief Funds II and III in fiscal year 2022.

The following chart depicts functional expenses as a percentage of total fiscal year 2022 operating expenses.



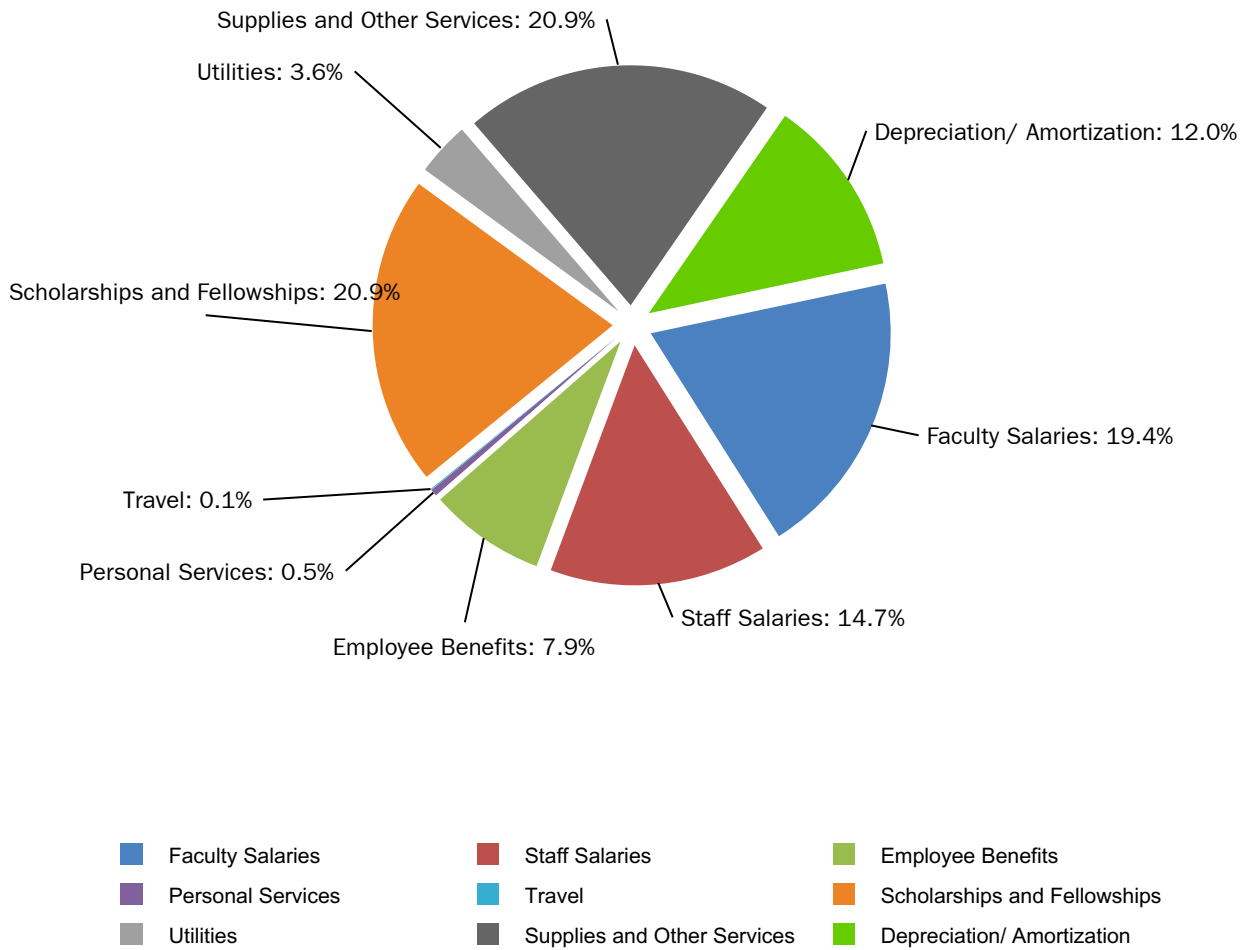


Operating expenses by functional classification for the years ended June 30, 2022 and June 30, 2021 is depicted by the following chart:

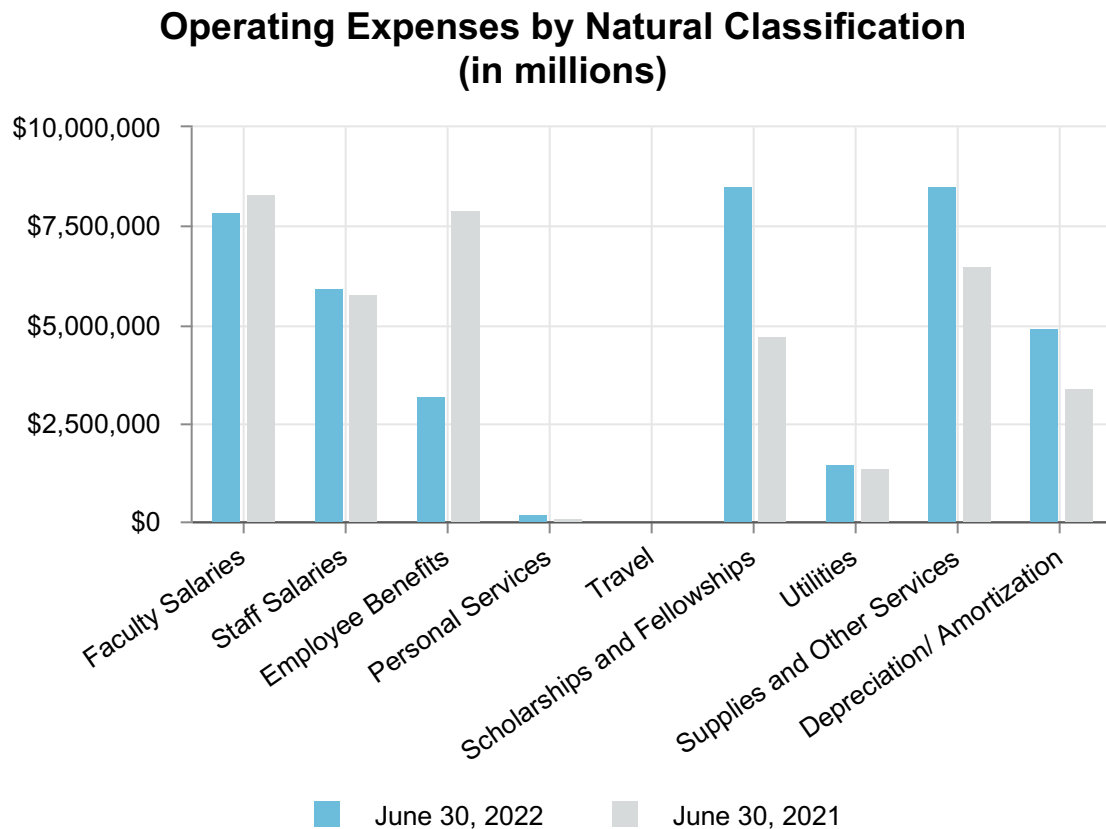


The following chart depicts the fiscal year 2022 operating expenses by natural classification.

## Operating Expenses by Natural Classification



Operating expenses by by natural classification for the years ended June 30, 2022 and June 30, 2021 is depicted by the following chart:



### Statement of Cash Flows

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

Cash Flows for the Years Ended June 30, 2022 and 2021, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2022	June 30, 2021
Cash Provided (Used) by:		
Operating Activities	\$ (22,029,890)	\$(20,479,735)
Non-Capital Financing Activities	27,252,546	23,546,836
Capital and Related Financing Activities	(3,769,142)	(3,303,181)
Investing Activities	(79,760)	42,428
<b>NET CHANGE IN CASH</b>	<b>1,373,754</b>	<b>(193,652)</b>
Cash, beginning of year	9,463,859	9,657,511
<b>CASH, end of year</b>	<b>\$ 10,837,613</b>	<b>\$ 9,463,859</b>

### Capital Assets

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

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2022	June 30, 2021	Increase (Decrease)	% Change
Land	2,313,508	2,313,508	\$ —	— %
Capitalized Collections	—	—	\$ —	— %
Construction Work-in-Progress	—	2,414,737	\$ (2,414,737)	(100.00)%
Software Development-in-Progress	—	—	\$ —	— %
Infrastructure	211,444	264,655	\$ (53,211)	(20.11)%
Building and Building Improvements	67,275,750	68,846,684	\$ (1,570,934)	(2.28)%
Facilities and Other Improvements	1,169,645	1,263,347	\$ (93,702)	(7.42)%
Equipment	1,050,794	850,997	\$ 199,797	23.48 %
Library Collections	86,698	111,781	\$ (25,083)	(22.44)%
Capitalized Collections	215,925	222,484	\$ (6,559)	(2.95)%
<b>Capital Assets, net of accumulated depreciation and amortization</b>	<b>\$ 72,323,764</b>	<b>\$ 76,288,193</b>	<b>\$ (3,964,429)</b>	<b>(5.20)%</b>

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

### Long Term Liabilities

Gordon State College had Long-Term Liabilities of \$33.9 million of which \$2.2 million was reflected as current liability at June 30, 2022.

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

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

**Economic Outlook**

During fiscal year 2022, the U.S. economy was still affected by the COVID-19 pandemic. Gordon State expects enrollment for fall 2022 semester to remain flat compared to fall 2021. In addition, all institutions were given additional funds within their FY22 state appropriations to replace the loss of revenue from the elimination of the “Special Institutional Fee”, which was eliminated for FY23.

Recent reports by the United States Bureau of Labor Statistics have shown that while the national unemployment rate in June of 2022 was 3.60%, the state of Georgia unemployment rate was 2.9%. The unemployment rate in Barnesville was 2.9%, which is less than the national rate and consistent to the state rate.

Gordon State College received a decrease in state appropriations for fiscal year 2023. While student head count slightly decreased from the prior year, the college's administration anticipates that the upcoming 2023 fiscal year budget will be much like fiscal year 2022, with additional budget cuts expected in FY23 if enrollment at the college declines.

Gordon State College's overall financial position for fiscal year 2022 was positive. GSC officials anticipate that the upcoming fiscal year will continue to contain much uncertainty due to the ongoing concerns of the COVID-19 pandemic as well as the US economy and the potential of a recession. Management will maintain a close watch over resources to continue the College's ability to react to the uncertain economic environment. Gordon State College is well positioned to manage any financial challenges that may occur.

# Financial Statements (GAAP Basis)

**GORDON STATE COLLEGE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Gordon State College
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 10,837,613
Cash and Cash Equivalents (Externally Restricted)	—
Short-term Investments	—
Short-term Investments (Externally Restricted)	—
Accounts Receivable, net	
Federal Financial Assistance	625,937
State General Appropriations	—
Affiliated Organizations	78,648
Primary Government	—
Pledges and Contributions	—
Other	403,861
Notes Receivable, net	—
Due From Other Funds	—
Investment in Financing Leases - Primary Government	—
Investment in Financing Lease Arrangements	—
Inventories	285,869
Prepaid Items	85,526
Other Assets	—
Total Current Assets	<u>12,317,454</u>
<b>Non-Current Assets</b>	
Accounts Receivable, net	
Affiliated Organizations	—
Component Units	—
Primary Government	—
Due From USO - Capital Liability Reserve Fund	355,149
Due From Institution - Capital Liability Reserve Fund	—
Pledges and Contributions	—
Other	37,404
Investments	—
Notes Receivable, net	—
Due From Other Funds	—
Investment in Financing Leases - Primary Government	—
Investment in Financing Lease Arrangements	—
Other Assets	—
Non-current Cash (Externally Restricted)	—
Short-term Investments (Externally Restricted)	—
Investments (Externally Restricted)	—
Capital Assets, net	72,323,764
Intangible Right-to-Use Assets, net	265,940
Total Non-Current Assets	<u>72,982,257</u>
<b>TOTAL ASSETS</b>	<u>85,299,711</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 9,362,969</u>

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

**GORDON STATE COLLEGE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Gordon State College
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 825,514
Salaries Payable	160,161
Benefits Payable	63,059
Contracts Payable	696
Retainage Payable	55,456
Due to Affiliated Organizations	854
Due to Component Units	—
Due to Primary Government	—
Due to Other Funds	—
Due to USO - Capital Liability Reserve Fund	—
Advances (Including Tuition and Fees)	406,779
Deposits	100,373
Deposits Held for Other Organizations	16,597
Other Liabilities	20,500
Notes and Loans Payable	1,677,808
Lease Obligations - External	82,315
Lease Obligations - Component Units	—
Revenue Bonds and Notes Payable	—
Liabilities Under Split Interest Agreements	—
Compensated Absences	437,660
Total Current Liabilities	<u>3,847,772</u>
<b>Non-Current Liabilities</b>	
Due to Affiliated Organizations	—
Due to Component Units	—
Due to Primary Government	—
Due to USO - Capital Liability Reserve Fund	—
Advances (Including Tuition and Fees)	—
Other Liabilities	—
Notes and Loans Payable	31,206,292
Lease Obligations - External	174,882
Lease Obligations - Component Units	—
Revenue Bonds and Notes Payable	—
Liabilities Under Split Interest Agreements	—
Compensated Absences	320,637
Net Other Post Employment Benefits Liability	25,062,275
Net Pension Liability	6,842,857
Total Non-Current Liabilities	<u>63,606,943</u>
<b>TOTAL LIABILITIES</b>	<u>67,454,715</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>18,291,200</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	38,144,657
Restricted for:	
Nonexpendable	—
Expendable	70,239
Unrestricted (Deficit)	<u>(29,298,131)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 8,916,765</u>

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



**GORDON STATE COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

	Gordon State College
<b>OPERATING REVENUES</b>	
Student Tuition and Fees (net)	\$ 4,681,451
Federal Appropriations	—
Grants and Contracts	
Federal	1,248
State	84,443
Other	311,275
Sales and Services	61,155
Rents and Royalties	53,084
Auxiliary Enterprises	
Residence Halls	3,144,736
Bookstore	631,413
Food Services	1,441,720
Parking/Transportation	44,154
Health Services	63,126
Intercollegiate Athletics	369,890
Other Organizations	39,111
Gifts and Contributions	
Endowment Income	
Other Operating Revenues	551,449
Total Operating Revenues	11,478,255
<b>OPERATING EXPENSES</b>	
Faculty Salaries	7,883,372
Staff Salaries	5,961,047
Employee Benefits	3,203,506
Other Personal Services	190,888
Travel	34,647
Scholarships and Fellowships	8,515,689
Utilities	1,481,678
Supplies and Other Services	8,516,352
Depreciation	4,899,077
Total Operating Expenses	40,686,256
Operating Income (Loss)	\$ (29,208,001)

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

**GORDON STATE COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

	Gordon State College	Component Units
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Appropriations	\$ 12,834,056	\$ —
Grants and Contracts		—
Federal	15,955,134	—
State	—	—
Other	—	—
Gifts	727,138	—
Investment Loss	(79,760)	—
Interest Expense	(1,365,382)	—
Other Nonoperating Revenues (Expenses)	(230,856)	—
Net Nonoperating Revenues	27,840,330	—
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(1,367,671)	—
Capital Grants and Gifts		—
Federal	—	—
State	71,477	—
Other	150,000	—
Additions to Permanent and Term Endowments		—
Special Item		—
Extraordinary Item		—
Total Other Revenues, Expenses, Gains or Losses	221,477	—
Change in Net Position	(1,146,194)	—
	10,062,959	—
	—	—
Net Position, Beginning of Year	10,062,959	—
Net Position, End of Year	\$ 8,916,765	\$ —

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

# GORDON STATE COLLEGE

## STATEMENT OF CASH FLOWS

### FOR FISCAL YEAR ENDED JUNE 30, 2022

	Gordon State College
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 11,380,455
Federal Appropriations	—
Grants and Contracts (Exchange)	6,268,798
Payments to Suppliers	(15,132,081)
Payments to Employees	(13,968,624)
Payments for Scholarships and Fellowships	(10,573,950)
Loans Issued to Students	—
Collection of Loans from Students	—
Other Receipts	—
Other Payments	(4,488)
Net Cash Used by Operating Activities	(22,029,890)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	12,834,056
Agency Funds Transactions - Receipts	—
Agency Funds Transactions - Disbursements	—
Gifts and Grants Received for Other Than Capital Purposes	14,649,346
Transfer of Endowments to Affiliated Organization	—
Other Non-Capital Financing Receipts	—
Other Non-Capital Financing Payments	(230,856)
Net Cash Flows Provided by Non-Capital Financing Activities	27,252,546
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	293,375
Proceeds from Sale of Capital Assets	—
Purchases of Capital and Intangible Assets	(870,865)
Principal Paid on Capital Debt and Intangible Leases	(1,681,436)
Interest Paid on Capital Debt and Intangible Leases	(1,510,216)
Net Cash Used by Capital and Related Financing Activities	(3,769,142)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	—
Investment Loss	(79,760)
Purchase of Investments	—
Net Cash Used by Investing Activities	(79,760)
Net Increase in Cash and Cash Equivalents	1,373,754
Cash and Cash Equivalents, Beginning of Year	9,463,859
Cash and Cash Equivalents, End of Year	\$ 10,837,613

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

# GORDON STATE COLLEGE

## STATEMENT OF CASH FLOWS

### FOR FISCAL YEAR ENDED JUNE 30, 2022

	<u>Gordon State College</u>
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (29,208,001)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	4,899,077
Operating Expenses Related to Noncash Gifts	—
Change in Assets and Liabilities:	
Receivables, net	4,099,760
Inventories	(46,168)
Prepaid Items	50,286
Other Assets	
Notes Receivable, Net	—
Accounts Payable	219,220
Salaries Payable	38,198
Benefits Payable	676
Contracts Payable	(18,425)
Retainage Payable	29,738
Deposits	2,988
Advances (Including Tuition and Fees)	(81,271)
Other Liabilities	20,487
Funds Held for Others	(4,486)
Compensated Absences	(15,370)
Due to Affiliated Organizations	854
Pollution Remediation	—
Claims and Judgments	—
Net Pension Liability	(13,626,126)
Other Post-Employment Benefit Liability	(3,021,144)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	13,448,089
Deferred Outflows of Resources	1,181,728
Net Cash Used by Operating Activities	<u><u>\$ (22,029,890)</u></u>

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

Noncapital Financing Activities Noncash Items:	
Noncapital Gifts	<u><u>\$ —</u></u>
Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	<u><u>\$ —</u></u>
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	<u><u>\$ 150,000</u></u>
New Non-Capital Financing Debt	<u><u>\$ —</u></u>
Increase in Non-Capital Debt Related to Capitalized Interest	<u><u>\$ —</u></u>
Other Noncapital Financing Activities Noncash Items	<u><u>\$ —</u></u>
Noncapital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	<u><u>\$ 58,592</u></u>
Gift of Capital Assets	<u><u>\$ —</u></u>
Gain (Loss) on Disposal of Capital Assets	<u><u>\$ —</u></u>
Accrual of Capital Asset Related Payables	<u><u>\$ —</u></u>
Capital Assets Acquired Through Prepaid Capital	<u><u>\$ —</u></u>

Capital Assets Acquired by Incurring Financing Lease Arrangements	\$ —
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	\$ 207,575
Deferred Gain (Loss) due to Debt Refundings	\$ —
Increase in Capital Debt due to Capitalized Interest	\$ —
Early Extinguishment of Capital Debt	\$ —
Amortization of Capital Financing Activities Advances and Deferred Inflows	\$ —
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	\$ 144,834
Accrual of Capital Financing Interest Payable	\$ —
Other Capital Financing Activities Noncash Items	\$ —
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	\$ —
Gift of Investments	\$ —
Other Investing Activities Noncash Items	\$ —

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

**GORDON STATE COLLEGE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ —
Investments	—
Receivables	—
Due From Component Units	—
Due From Affiliated Organizations	—
Other	574,924
Prepaid Items	—
Other Assets	—
 Total Assets	 <u>574,924</u>
 <b>LIABILITIES</b>	
Cash Overdraft	353,255
Accounts Payable	25,365
Benefits Payable	—
Due to Component Units	—
Advances	—
Deposits held for other organizations	19,046
Other Liabilities	21,128
 Total Liabilities	 <u>418,794</u>
 <b>NET POSITION</b>	
Restricted for:	
Individuals, Organizations, and Other Governments	<u>\$ 156,130</u>

**GORDON STATE COLLEGE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 6,602,941
State Financial Aid	2,353,545
Other Financial Aid	169,855
Clubs and Other Organizations Fund Raising	73,571
	<hr/>
Total Additions	<u>9,199,912</u>
DEDUCTIONS	
Scholarships and Other Student Support	9,735,486
Student Organizations Support	117,006
	<hr/>
Total Deductions	<u>9,852,492</u>
	<hr/>
Net Increase (Decrease) in Fiduciary Net Position	<u>(652,580)</u>
	<hr/>
Net Position, Beginning of Year	<u>808,710</u>
	<hr/>
Net Position, End of Year	<u><u>\$ 156,130</u></u>

# Notes to the Financial Statements



**GORDON STATE COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Note 1 Summary of Significant Accounting Policies**

**Nature of Operations**

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

**Reporting Entity**

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

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

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

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

**Basis of Accounting and Financial Statement Presentation**

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

Gordon State College's business-type activities and fiduciary fund financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. All significant intra-fund transactions have been eliminated.

Gordon State College reports the following fiduciary fund:

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

## **New Accounting Pronouncements**

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. In fiscal year 2020, Gordon State College adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 87 to fiscal year 2022. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The adoption of this statement resulted in a restatement of the net position of the business-type activities.

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

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

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

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

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

## **Cash and Cash Equivalents**

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

**Accounts Receivable**

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

**Inventories**

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

**Prepaid Items**

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

**Capital Assets**

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

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

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

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

**Intangible Right-To-Use Assets**

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

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

Rental income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight line basis over the lease term.

### **Capital Liability Reserve Fund**

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

### **Deferred Outflows of Resources**

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

### **Deposits**

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

### **Advances**

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

### **Deposits Held for Other Organizations**

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

### **Compensated Absences**

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

### **Non-current Liabilities**

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

### **Deferred Inflows of Resources**

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

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

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

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

### **Pensions and Net Pension Liability**

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position, additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Net Position**

Gordon State College's net position is classified as follows:

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

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

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

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

### **Income Taxes**

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

### **Classification of Revenues and Expenses**

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

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

### Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by Gordon State College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in Gordon State College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, Gordon State College has recorded contra revenue for scholarship allowances. Tuition, fees and other student charges reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$4,641,089.

### Changes in accounting principles

Gordon State College made prior period adjustments due to the adoption of GASB Statement No. 87, which required the restatement of the June 30, 2021 business type activities net position. Under this statement, a lessee is required to recognize a lease obligation and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a lessee, the result is an increase in the liability of \$134,825 and an increase in the intangible right-to-use assets of \$134,825. As a lessor, the result is an increase in accounts receivable of \$73,370 and an increase in deferred inflows of resources of \$73,370. These restatements result in a \$0 net change to the beginning of the year net position. In addition, there was a reclassification of beginning notes and loans payable of \$34,480,333 from lease obligations as a result of agreements that are now classified as financing lease arrangements. These changes are in accordance with generally accepted accounting principles.

## Note 2 Deposits and Investments

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

#### Statement of Net Position

##### Current

Cash and Cash Equivalents	\$	10,837,613
Cash and Cash Equivalents (Externally Restricted)		—

#### Statement of Fiduciary Net Position

Cash and Cash Equivalents	-353,255
	<u>\$ 10,484,358</u>

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

Cash on Hand	\$	1,700
Deposits with Financial Institutions		5,403,364
Investments		5,079,294
	<u>\$</u>	<u>10,484,358</u>

### A. Deposits with Financial Institutions

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

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

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

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

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

At June 30, 2022, the bank balances of Gordon State College's deposits totaled \$5,570,204. Of these deposits, \$0 were exposed to custodial credit risk.

## **B. Investments**

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

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

	<u>Fair Value</u>
Investment Pools	
Board of Regents	
Short-Term Fund	<u>\$ 5,079,294</u>

### **Board of Regents Pooled Investment Program**

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

share of each pooled investment fund balance at fair value along with a pro rata share of the pooled fund's investment returns.

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

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

1. Short-Term Fund

The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between daily and four years, and the fund will typically have an overall average duration of  $\frac{3}{4}$  - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of Gordon State College's position in the Short-Term Fund at June 30, 2022 was \$5,079,294, of which 100% is invested in debt securities. The Effective Duration of the Fund is 0.96 years.

Interest Rate Risk

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

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Gordon State College does not have a formal policy for managing credit quality risk.



### Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 379,349	\$ 153,440
Auxiliary Enterprises and Other Operating Activities	419,096	
Federal Financial Assistance	625,937	255,069
Georgia Student Finance Commission	—	166,415
Georgia State Financing and Investment Commission	58,592	—
Due from Affiliated Organizations	78,648	—
Due From Other USG Institutions	401,649	—
Other	37,574	—
	<u>2,000,845</u>	<u>574,924</u>
Less: Allowance for Doubtful Accounts	<u>499,846</u>	<u>—</u>
Net Accounts Receivable	<u>\$ 1,500,999</u>	<u>\$ 574,924</u>

### Note 4 Inventories

Inventories consisted of the following at June 30, 2022:

Merchandise for Resale	<u>\$ 285,869</u>
------------------------	-------------------

### Note 5 Notes and Loans Receivable

As of June 30, 2022, Gordon State College had no outstanding Notes and Loans Receivable.

### Note 6 Capital Assets and Intangible Right-to-Use Assets

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

	Balance July 1, 2021	Leases Recategorization	Additions	Reductions	Balance June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 2,313,508	\$ —	\$ —	\$ —	\$ 2,313,508
Construction Work-in-Progress	2,414,737	—	84,154	2,498,891	—
Total Capital Assets Not Being Depreciated	4,728,245	—	84,154	2,498,891	2,313,508
Capital Assets, Being Depreciated:					
Infrastructure	1,400,297	—	—	—	1,400,297
Building and Building Improvements	111,514,480	—	2,819,248	—	114,333,728
Facilities and Other Improvements	2,651,007	—	—	—	2,651,007
Equipment	6,443,852	—	451,806	124,511	6,771,147
Library Collections	2,489,138	—	1,871	60,016	2,430,993
Capitalized Collections	262,390	—	—	—	262,390
Total Capital Assets Being Depreciated	124,761,164	—	3,272,925	184,527	127,849,562
Less: Accumulated Depreciation					
Infrastructure	1,135,642	—	53,211	—	1,188,853
Building and Building Improvements	42,667,796	—	4,390,182	—	47,057,978
Facilities and Other Improvements	1,387,660	—	93,702	—	1,481,362
Equipment	5,592,855	—	252,009	124,511	5,720,353
Library Collections	2,377,357	—	26,954	60,016	2,344,295
Capitalized Collections	39,906	—	6,559	—	46,465
Total Accumulated Depreciation	53,201,216	—	4,822,617	184,527	57,839,306
Total Capital Assets, Being Depreciated, Net	71,559,948	—	(1,549,692)	—	70,010,256
Capital Assets, net	\$ 76,288,193	\$ —	\$ (1,465,538)	\$ 2,498,891	\$ 72,323,764

## Intangible Right-to-Use Assets

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

	Restated Beginning Balances July 1, 2021	Intangible Right-to-Use Recategorization	Additions	Reductions	Ending Balance June 30, 2022
Intangible Right-to-use Assets					
Equipment	\$ 134,825	\$ —	\$ 207,575	\$ —	\$ 342,400
Total Right-to-Use Being Amortized, Net	134,825	—	207,575	—	342,400
Less: Accumulated amortization					
Equipment	—	—	76,460	—	76,460
Total Intangible Right-to-Used Assets Being Amortized, Net	—	—	76,460	—	76,460
Intangible Right-to-use Assets, net	\$ 134,825	\$ —	\$ 131,115	\$ —	\$ 265,940

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

Fiscal Year	Depreciation & Amortization Expense
2022	4,899,077
2021	3,411,517
2020	3,439,661

## Note 7 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 391,692
Other - Advances	15,087
Totals	<u>\$ 406,779</u>

## Note 8 Long-Term Liabilities

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

	(Restated) Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
Leases					
Lease Obligations	\$ 134,825	\$ 207,575	\$ 85,202	\$ 257,198	\$ 82,315
Other Liabilities					
Compensated Absences	773,668	509,853	525,224	758,297	437,660
Notes and Loans Payable	34,480,333	—	1,596,233	32,884,100	1,677,808
Total	<u>35,254,001</u>	<u>509,853</u>	<u>2,121,457</u>	<u>33,642,397</u>	<u>2,115,468</u>
Total Long-Term Obligations	<u>\$ 35,388,826</u>	<u>\$ 717,428</u>	<u>\$ 2,206,659</u>	<u>\$ 33,899,595</u>	<u>\$ 2,197,783</u>

See Note 13, Leases, for information related to lease obligations

See Note 14, Retirement Plans, for information related to net pension liability. See Note 17, Post-Employment Benefits Other Than Pension Benefits, for information related to net other post employment benefits liability.

The July 1, 2021 balance was restated (\$134,825) related to lease purchase obligations. See Note 1 - Restatement of Prior Year Net Position for additional information related to these transactions including notes and loans payable which total \$34,480,333.

## Notes and Loans Payable

### Financing Lease Agreements

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

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by Gordon State College. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. Gordon State College's principal and interest payments related to financing lease agreements for fiscal year 2022 were \$1,596,233 and \$1,510,216, respectively. Interest rates range from 3.87% to 5.18%.

The College has \$32,884,100 in outstanding notes and loans payable due to affiliated organizations for financing lease agreements.

The following is a summary of the carrying values of assets held under financing lease agreements at June 30, 2022:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Lease Arrangements at June 30, 2022	Outstanding Balances per Lease Schedules at June 30, 2022
	( + )	( - )	( = )	
Finance Buildings and Building Improvements	47,379,537	22,435,858	24,943,679	32,884,100
Total Assets Held Under Finance Lease Arrangement	<u>\$ 47,379,537</u>	<u>\$ 22,435,858</u>	<u>\$ 24,943,679</u>	<u>\$ 32,884,100</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
GORD - Gordon Commons	USG Foundation	\$ 8,639,413	12 years	June, 2018	May, 2030	\$ 6,219,680 (1)
GORD - Gordon Village	USG Foundation	18,394,975	20 years	June, 2018	May, 2038	15,889,207 (1)
GORD - SARC	Gordon State College Foundation, Inc	12,102,035	30 years	July, 2014	June, 2043	10,775,213 (1)
Total Leases		<u>\$ 39,136,423</u>				<u>\$ 32,884,100</u>

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

Below is the annual debt service related to the outstanding notes and loans payable at June 30, 2022.

<b>Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 1,677,807	\$ 1,439,941
2024	1,746,911	1,368,473
2025	1,825,655	1,289,389
2026	1,912,750	1,208,993
2027	1,994,932	1,124,827
2028 through 2032	9,479,203	4,287,191
2033 through 2037	8,569,471	2,422,769
2038 through 2042	4,853,005	738,647
2043 through 2047	824,366	23,329
<b>Total Minimum Lease Payments</b>	<b>\$ 32,884,100</b>	<b>\$ 13,903,559</b>

## Note 9 Deferred Outflows and Inflows of Resources

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

### Deferred Outflow of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	\$ 4,825,657
Deferred Outflow on OPEB Plan (See Note 17)	4,537,312
<b>Total Deferred Outflows of Resources</b>	<b>\$ 9,362,969</b>

### Deferred Inflow of Resources

Deferred Inflow on Debt Refunding	\$ 1,303,750
Unavailable Revenues	150,000
Deferred Inflow on Defined Benefit Pension Plans (See Note 14)	11,948,352
Deferred Inflow on OPEB Plan (See Note 17)	4,815,728
Deferred Inflow of Resources - Leases	73,370
<b>Total Deferred Inflows of Resources</b>	<b>\$ 18,291,200</b>

### Deferred Loss/Gain on Debt Refunding

The unamortized deferred gain on debt refunding is related to changes in the provisions of various leases that resulted from a refunding by the lessor of tax-exempt debt in which a portion of the perceived economic advantages of the refunding were passed through to the Institution.

### Unavailable Revenues

Resources from certain non-exchange transactions received before time requirements are met, but after all other eligibility requirements have been met, are reported as a deferred inflow of resources.

### Leases

In August 2021, College entered into an agreement with Verizon Wireless for the building space located at 419 College Drive, Barnesville, GA 30204. The agreement is renewable for 5 years for a total of payable to the College of \$107,952. The amortized revenue recorded in fiscal year 2022 was \$34,582 and the remaining deferred inflow of resources was \$73,369.

## Note 10 Net Position

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

Net Investment in Capital Assets	\$ 38,144,657
Expendable	
Sponsored and Other Organized Activities	70,239
Unrestricted	
Auxiliary Enterprises Operations	4,718,175
Auxiliary Enterprises Renewals and Replacement Reserve	
Reserve for Encumbrances	1,558,389
Capital Liability Reserve Fund	355,149
Other Unrestricted	(35,929,844)
Sub-Total	(29,298,131)
Total Net Position	\$ 8,916,765

Other unrestricted net position is reduced by \$25,340,691 related to the recording of net OPEB liability, deferred inflows of resources, and deferred outflows of resources related to the OPEB plan. Other unrestricted net position is also reduced by \$13,965,552 related to the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation and student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the College is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

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

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Net Investments in Capital Assets	\$ 40,346,598	\$ 2,539,623	\$ 4,741,564	\$ 38,144,657
Restricted Net Position	71,130	16,573,577	16,574,468	70,239
Unrestricted Net Position	(30,354,769)	24,562,723	23,506,085	(29,298,131)
Total Net Position	\$ 10,062,959	\$ 43,675,923	\$ 44,822,117	\$ 8,916,765

## Note 11 Endowments

Gordon State College did not have donor restricted endowments at June 30, 2022.

## Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2022.

## Note 13 Leases

### Lease Obligations

Gordon State College is obligated under various lease agreements for the acquisition or use of real property and equipment.

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by Gordon State College. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The college's principal and interest payments related to leases for fiscal year 2022 were \$85,202 and \$1,917 with interest rates ranging from 3.87% to 5.18%.

There were no residual guaranteed payments, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2022.

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

Description	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Lease Obligations at June 30, 2022	Outstanding Balance per Lease Schedules at June 30, 2022
	( + )	( - )	( = )	
Leased Buildings and Building Improvements	\$ 342,400	\$ 76,460	\$ 265,940	\$ 257,197
Total Assets Held Under Lease	<u>\$ 342,400</u>	<u>\$ 76,460</u>	<u>\$ 265,940</u>	<u>\$ 257,197</u>

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

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

## LEASE SCHEDULE

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
Washers/Dryers Melton Hall	Paul Grubestic	\$ 37,682	5 years	Sep, 2019	Aug, 2024	\$ 15,087
Washers/Dryers Gordon Village	Paul Grubestic	91,311	5 years	Sep, 2019	Aug, 2024	36,524
Washers/Dryers Gordon Commons	Paul Grubestic	98,907	5 years	Sep, 2019	Aug, 2024	37,458
C9070 & DMPCTRL	Xerox Corporation	20,290	5 years	Jul, 2021	Jul, 2026	16,232
Primelink 89100	Xerox Corporation	24,701	5 years	Jul, 2021	Jul, 2026	19,761
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	5,223
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	5,223
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	5,223
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	5,223
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	5,223
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	5,223
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jul, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jun, 2026	5,223
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	4,008
Versalink B405	Xerox Corporation	2,877	5 years	Jul, 2021	Jun, 2026	2,452
Versalink B405	Xerox Corporation	2,877	5 years	Jul, 2021	Jun, 2026	2,466
Versalink B405	Xerox Corporation	2,877	5 years	Jul, 2021	Jun, 2026	2,466
Total Leases		\$ 437,467				\$ 257,197



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

	Principal	Interest
Year Ending June 30:		
2023	\$ 82,315	\$ 1,281
2024	91,114	522
2025	41,812	223
2026	41,957	78
Total Minimum Lease Payments	<u>\$ 257,198</u>	<u>\$ 2,104</u>

## Note 14. Retirement Plans

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

Gordon State College also provides the Regents Retirement Plan.

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

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

#### General Information about the Teachers Retirement System

##### Plan description

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

##### Benefits Provided

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

##### Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2022. Gordon State College's contractually required contribution rate for the year ended June 30, 2022 was 19.81% of Gordon State College's annual payroll. Gordon State College's contributions to TRS totaled \$1,833,167 for the year ended June 30, 2022.

## **General Information about the Employees' Retirement System**

### Plan description

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

### Benefits provided

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

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

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

### Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2022 was 24.63% of annual covered payroll for old and new plan members and 21.57% for GSEPS members. Gordon State College's contributions to ERS totaled \$19,580 for the year ended June 30, 2022. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2022, Gordon State College reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. Gordon State College's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2021. At June 30, 2021, Gordon State College's TRS proportion was 0.076849%, which was an decrease of 0.007328% from its proportion measured as of June 30, 2020. At June 30, 2021, Gordon State College's ERS proportion was 0.001970%, which was an increase of 0.000119% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, Gordon State College recognized pension expense of \$(383,824) for TRS and \$8,768 for ERS. At June 30, 2022, Gordon State College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,621,928	\$ —	\$ 1,090	\$ —
Changes of assumptions	1,315,495	—	13,269	—
Net difference between projected and actual earnings on pension plan investments	—	9,941,771	—	42,586
Changes in proportion and differences between contributions and proportionate share of contributions	17,810	1,963,996	3,319	—
Contributions subsequent to the measurement date	1,833,167	—	19,580	—
Total	<u>\$ 4,788,400</u>	<u>\$ 11,905,767</u>	<u>\$ 37,258</u>	<u>\$ 42,586</u>

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

Year Ending June 30:	TRS	ERS
2023	\$ (1,930,476)	\$ 1,943
2024	\$ (1,901,772)	\$ (5,126)
2025	\$ (2,447,792)	\$ (10,349)
2026	\$ (2,670,494)	\$ (11,376)

### Actuarial assumptions

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

#### Teachers Retirement System

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

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

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

#### Employees' Retirement System

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

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

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

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

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

\* Rates shown are net of inflation

#### **Discount rate**

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

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

The following presents Gordon State College's proportionate share of the net pension liability calculated using the discount rate , as well as what Gordon State College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1-percentage-point higher than the current rate:

**Teachers Retirement System:**

	1% Decrease 6.25%	Current discount rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	\$ 18,308,729	\$ 6,796,781	\$ (2,636,465)

**Employees' Retirement System:**

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 84,434	\$ 46,076	\$ 13,637

**Pension plan fiduciary net position**

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

**B. Defined Contribution Plan:****Regents Retirement Plan****Plan Description**

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

**Funding Policy**

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

Gordon State College and the covered employees made the required contributions of \$223,830 (9.24%) and \$145,345 (6.00%), respectively.

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

## **Note 15 Risk Management**

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2022, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

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

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

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

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

## **Note 16 Contingencies**

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

Litigation, claims and assessments filed against Gordon State 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, 2022.

## Note 17 Post-Employment Benefits Other Than Pension Benefits

### Board of Regents Retiree Health Benefit Plan

#### Plan Description and Funding Policy

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

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

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

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

Active Employees	205
Retirees or Beneficiaries Receiving Benefits	96
Retirees Receiving Life Insurance Only	<u>24</u>
Total	<u><u>325</u></u>

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

Gordon State College pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2022 plan year, the employer rate was approximately 85% of the total health insurance cost for eligible retirees and the retiree rate was approximately 15%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2022, Gordon State College contributed \$698,158 to the plan for current premiums or claims.

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

At June 30, 2022, Gordon State College reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2021. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. Gordon State College's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2021. At June 30, 2021, Gordon State College's proportion was 0.497951%, which was a decrease of 0.028575% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, Gordon State College recognized OPEB expense of \$835,139. At June 30, 2022, Gordon State College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,349,320	\$ 85,744
Changes of assumptions	2,067,111	3,456,602
Net difference between projected and actual earnings on OPEB plan investments	—	62,150
Changes in proportion and differences between contributions and proportionate share of contributions	422,723	1,211,232
Contributions subsequent to the measurement date	698,158	—
Total	<u>\$ 4,537,312</u>	<u>\$ 4,815,728</u>

Gordon State College's contributions subsequent to the measurement date of \$698,158 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2023	\$	(547,559)
2024	\$	(337,285)
2025	\$	(326,825)
2026	\$	(291,282)
2027	\$	270,416
Thereafter	\$	255,961

Actuarial assumptions

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



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

#### Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

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

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

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

#### Discount rate

The Plan's projected fiduciary net position at the end of 2025 is \$0, based on the valuation completed for the fiscal year ending June 30, 2021. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2025. Therefore, the long-term expected rate of return on Plan investments

of 4.37% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 2.18% from the Bond Buyers GO 20 bond municipal bond index. This rate is comprised primarily of the yield or index rate for 20 year, tax exempt general obligation municipal bond with an average rating of AA or higher (2.16% from the Bond buyers GO 20-Bond Municipal Bond Index).

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

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

	1% Decrease 1.18%	Current Rate 2.18%	1% Increase 3.18%
Proportionate Share of the Net OPEB Liability	\$ 30,336,024	\$ 25,062,275	\$ 20,995,437

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 21,147,401	\$ 25,062,275	\$ 30,215,628
Pre-Medicare Eligible	5.4% decreasing to 3.5%	6.4% decreasing to 4.5%	7.4% decreasing to 5.5%
Medicare Eligible	3%	4%	5%

*OPEB plan fiduciary net position:*

Detailed information about the Plan's fiduciary net position is available in the USG Consolidated Annual Financial Report which is publicly available at [usg.edu/fiscal\\_affairs/financial\\_reporting/](https://usg.edu/fiscal_affairs/financial_reporting/).

## Note 18 Operating Expenses with Functional Classifications

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

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 6,169,582	\$ 982,564	\$ 2,506,077	\$ 5,509	\$ 7,273
Research	1,200	—	490	—	—
Public Service	—	—	—	—	—
Academic Support	1,698,406	534,376	525,055	82,029	6,377
Student Services	—	1,139,348	399,996	100	6,389
Institutional Support	3,040	1,467,078	(974,674)	5,000	10,817
Plant Operations and Maintenance	—	1,354,870	597,572	1,159	625
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	11,144	482,811	148,990	97,091	3,166
Patient Care	—	—	—	—	—
Unallocated Expenses	—	—	—	—	—
Total Operating Expenses	<u>\$ 7,883,372</u>	<u>\$ 5,961,047</u>	<u>\$ 3,203,506</u>	<u>\$ 190,888</u>	<u>\$ 34,647</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ —	\$ —	\$ 594,632	\$ 58,824	\$ 10,324,461
Research	—	—	—	—	1,690
Public Service	—	—	—	—	—
Academic Support	—	50,627	1,026,535	37,841	3,961,246
Student Services	—	154,764	522,811	358,087	2,581,495
Institutional Support	—	13,028	1,239,188	187,932	1,951,409
Plant Operations and Maintenance	—	888,789	782,670	2,855,166	6,480,851
Scholarships and Fellowships	8,357,939	—	—	—	8,357,939
Auxiliary Enterprises	157,750	374,470	4,350,516	1,401,227	7,027,165
Patient Care	—	—	—	—	—
Unallocated Expenses	—	—	—	—	—
Total Operating Expenses	<u>\$ 8,515,689</u>	<u>\$ 1,481,678</u>	<u>\$ 8,516,352</u>	<u>\$ 4,899,077</u>	<u>\$ 40,686,256</u>

## Note 19 Subsequent Event

As of June 30, 2022, Gordon State College had no subsequent events.

# Required Supplementary Information

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

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2022	\$ 19,580	\$ 19,580	\$ —	\$ 79,047	24.77%
	June 30, 2021	\$ 11,688	\$ 11,688	\$ —	\$ 47,216	24.75%
	June 30, 2020	\$ 11,616	\$ 11,616	\$ —	\$ 46,680	24.88%
	June 30, 2019	\$ 11,205	\$ 11,205	\$ —	\$ 41,742	26.84%
	June 30, 2018	\$ 10,883	\$ 10,883	\$ —	\$ 43,864	24.81%
	June 30, 2017	\$ 9,902	\$ 9,902	\$ —	\$ 41,290	23.98%
	June 30, 2016	\$ 9,878	\$ 9,878	\$ —	\$ 39,958	24.72%
	June 30, 2015	\$ 8,931	\$ 8,931	\$ —	\$ 40,670	21.96%
	June 30, 2014	\$ 7,075	\$ 7,075	\$ —	\$ 38,327	18.46%
	June 30, 2013	\$ 5,732	\$ 5,732	\$ —	\$ 38,470	14.90%
Teachers' Retirement System	June 30, 2022	\$ 1,833,167	\$ 1,833,167	\$ —	\$ 9,245,731	19.83%
	June 30, 2021	\$ 1,914,687	\$ 1,914,687	\$ —	\$ 10,087,760	18.98%
	June 30, 2020	\$ 2,306,238	\$ 2,306,238	\$ —	\$ 10,900,707	21.16%
	June 30, 2019	\$ 2,339,909	\$ 2,339,909	\$ —	\$ 11,174,042	20.94%
	June 30, 2018	\$ 1,828,122	\$ 1,828,122	\$ —	\$ 10,868,214	16.82%
	June 30, 2017	\$ 1,479,959	\$ 1,479,959	\$ —	\$ 10,498,222	14.10%
	June 30, 2016	\$ 1,454,054	\$ 1,454,054	\$ —	\$ 10,189,586	14.27%
	June 30, 2015	\$ 1,306,587	\$ 1,306,587	\$ —	\$ 9,936,026	13.15%
	June 30, 2014	\$ 1,176,784	\$ 1,176,784	\$ —	\$ 9,582,928	12.28%
	June 30, 2013	\$ 1,138,159	\$ 1,138,159	\$ —	\$ 9,975,100	11.41%

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30,2022	0.001970%	\$ 46,076	\$ 47,216	97.59%	87.62%
	June 30,2021	0.001851%	\$ 78,019	\$ 46,680	167.14%	76.21%
	June 30,2020	0.001793%	\$ 73,989	\$ 41,742	177.25%	76.74%
	June 30,2019	0.001720%	\$ 70,710	\$ 43,864	161.20%	76.68%
	June 30,2018	0.001683%	\$ 68,352	\$ 41,290	165.54%	76.33%
	June 30,2017	0.001719%	\$ 81,316	\$ 39,958	203.50%	72.34%
	June 30,2016	0.001779%	\$ 72,074	\$ 40,670	177.22%	76.20%
	June 30,2015	0.001702%	\$ 63,836	\$ 38,327	166.56%	77.99%
Teachers Retirement System	June 30,2022	0.076849%	\$ 6,796,781	\$ 10,087,760	67.38%	92.03%
	June 30,2021	0.084177%	\$ 20,390,964	\$ 10,900,707	187.06%	77.01%
	June 30,2020	0.091560%	\$ 19,687,876	\$ 11,174,042	176.19%	78.56%
	June 30,2019	0.091307%	\$ 16,948,535	\$ 10,868,214	155.95%	80.27%
	June 30,2018	0.091440%	\$ 16,994,406	\$ 10,498,222	161.88%	79.33%
	June 30,2017	0.092880%	\$ 19,162,180	\$ 10,189,586	188.06%	76.06%
	June 30,2016	0.094150%	\$ 14,333,707	\$ 9,936,026	144.26%	81.44%
	June 30,2015	0.094020%	\$11,878,187	\$ 9,582,928	123.95%	84.03%

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

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

*Changes of assumptions*

**Employees' Retirement System:**

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

**Teachers Retirement System:**

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

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

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

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

**GORDON STATE COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
FOR THE LAST SIX YEARS\***

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2022	\$ 698,158	\$ 698,158	\$ —	\$ 12,804,480	5.45%
June 30, 2021	\$ 584,499	\$ 584,499	\$ —	\$ 13,384,845	4.37%
June 30, 2020	\$ 541,227	\$ 541,227	\$ —	\$ 14,366,293	3.77%
June 30, 2019	\$ 840,503	\$ 840,503	\$ —	\$ 15,071,025	5.58%
June 30, 2018	\$ 810,238	\$ 810,238	\$ —	\$ 12,625,055	6.42%
June 30, 2017	\$ 510,801	\$ 510,801	\$ —	\$ 14,078,809	3.63%

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



**GORDON STATE COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY  
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN  
FOR THE LAST FIVE YEARS\***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2022	0.497951%	\$ 25,062,275	\$ 13,384,845	187.24%	3.74%
June 30, 2021	0.526526%	\$ 28,083,419	\$ 14,366,293	195.48%	2.91%
June 30, 2020	0.524060%	\$ 23,433,699	\$ 15,071,025	155.49%	3.13%
June 30, 2019	0.511450%	\$ 22,558,786	\$ 12,625,055	178.68%	1.69%
June 30, 2018	0.512935%	\$ 21,644,451	\$ 14,078,809	153.74%	0.19%

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

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

*Changes in Assumptions Since Prior Valuation*

The financial accounting valuation reflects the following assumption changes:

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

# Supplementary Information

**GORDON STATE COLLEGE  
BALANCE SHEET (NON-GAAP BASIS)  
BUDGET FUNDS  
JUNE 30. 2022**

ASSETS

Cash and Cash Equivalents	\$	1,307,582.42
Investments		—
Accounts Receivable		
State Appropriation		—
Federal Financial Assistance		625,937.08
Other		1,088,441.17
Margin Allocation		—
Prepaid Expenditures		85,099.69
Inventories		—
Other Assets		46,500.00
		<hr/>
Total Assets	\$	<u>3,153,560.36</u>

LIABILITIES AND FUND EQUITY

Liabilities

Cash Overdraft	\$	—
Contracts Payable		—
Accrued Payroll		134,780.75
Payroll Withholdings		—
Encumbrance Payable		1,252,503.57
Accounts Payable		117,200.02
Unearned Revenue		382,168.24
Funds Held for Others		16,530.28
Other Liabilities		20,498.50
		<hr/>
Total Liabilities		<u>1,923,681.36</u>

Fund Balances

Reserved		
Capital Outlay		—
Department Sales and Services		164,286.08
Indirect Cost Recoveries		87,467.53
Technology Fees		453,329.16
Restricted/Sponsored Funds		70,238.54
Uncollectible Accounts Receivable		249,150.37
Inventories		—
Tuition Carry - Forward		196,399.56
Carry-Over "Per Governor's Office of Planning and Budget"		—
Early Retirement Program		—
Unreserved		
Surplus		9,007.76
		<hr/>
Total Fund Balances		<u>1,229,879.00</u>
		<hr/>
Total Liabilities and Fund Balances	\$	<u>3,153,560.36</u>

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

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

	Original Appropriation	Final Budget	Funds Available Compared to Budget	
			Current Year Revenues	Prior Year Reserve Carry-Over
Teaching				
State Appropriation				
State General Funds	\$ 11,572,033.00	\$ 12,860,890.00	\$ 12,860,890.00	\$ —
Federal Funds Not Itemized				
Federal Funds Not Itemized		9,550,090.00	6,889,503.57	
Federal Funds-COVID19				
Federal Funds not Itemized - Covid		10,201,617.00	7,182,704.64	—
State Fiscal Stabilization Fund				
Other Funds	21,038,232.00	11,445,990.00	10,453,270.49	1,013,101.40
Total Teaching	32,610,265.00	44,058,587.00	37,386,368.70	1,013,101.40
Total Operating Activity	\$ 32,610,265.00	\$ 44,058,587.00	\$ 37,386,368.70	\$ 1,013,101.40

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

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

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Teaching						
State Appropriation						
State General Funds	\$ —	\$ 12,860,890.00	\$ —	\$ 12,856,974.37	\$ 3,915.63	\$ 3,915.63
Federal Funds Not Itemized						
Federal Funds Not Itemized		6,889,503.57	(2,660,586.43)	6,889,503.57	2,660,586.43	—
Federal Funds-COVID19						
Federal Funds not Itemized - Covid	—	7,182,704.64	(3,018,912.36)	7,182,704.64	3,018,912.36	0.00
Other Funds	—	11,466,371.89	20,381.89	10,439,574.79	1,006,415.21	1,026,797.10
Total Teaching	—	38,399,470.10	(5,659,116.90)	37,368,757.37	6,689,829.63	1,030,712.73
Total Operating Activity	\$ —	\$ 38,399,470.10	\$ (5,659,116.90)	\$ 37,368,757.37	\$ 6,689,829.63	\$ 1,030,712.73

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

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

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2021 Surplus	Prior Year Adjustments	Other Adjustments
Teaching					
State Appropriation					
State General Funds	\$ 4,891.01	\$ —	\$ (4,891.01)	\$ 2,104.58	\$ —
Federal Funds					
Federal Funds Not Itemized	—	—	—	—	—
Federal Funds-COVID19					
Federal Funds Not Itemized-Covid	—	—	—	—	—
Other Funds	1,035,044.20	(1,013,101.40)	(21,942.80)	(885.84)	(51,202.84)
Total Teaching	1,039,935.21	(1,013,101.40)	(26,833.81)	1,218.74	(51,202.84)
Total Operating Activity	1,039,935.21	(1,013,101.40)	(26,833.81)	1,218.74	(51,202.84)
Prior Year Reserves					
Not Available for Expenditure					
Inventories	—				—
Uncollectible Accounts Receivable	197,947.53				51,202.84
Early Retirement Program (Georgia Health Sciences University)	—				—
Budget Unit Totals	\$ 1,237,882.74	\$ (1,013,101.40)	\$ (26,833.81)	\$ 1,218.74	\$ —

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

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

	Early Return of Fiscal Year 2022 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Teaching						
State Appropriation						
State General Funds	\$ —	\$ 3,915.63	\$ 6,020.21	\$ —	\$ 6,020.21	\$ 6,020.21
Federal Funds						
Federal Funds Not Itemized						
Federal Funds-COVID19						
Federal Funds Not Itemized-Covid	—	—	—	—	—	—
State Fiscal Stabilization Fund						
Stabilization Fund - Education State Grants	—	—	—	—	—	—
Other Funds	—	1,026,797.10	974,708.42	971,720.87	2,987.55	974,708.42
Total Teaching	—	1,030,712.73	980,728.63	971,720.87	9,007.76	980,728.63
Total Operating Activity	—	1,030,712.73	980,728.63	971,720.87	9,007.76	980,728.63
Prior Year Reserves						
Not Available for Expenditure						
Inventories			—	—		—
Uncollectible Accounts Receivable			249,150.37	249,150.37		249,150.37
Early Retirement Program (Georgia Health Sciences University)			—	—		—
Budget Unit Totals	\$ —	\$ 1,030,712.73	\$ 1,229,879.00	\$ 1,220,871.24	\$ 9,007.76	\$ 1,229,879.00
Capital Outlay				—	—	—
Departmental Sales and Services				164,286.08	—	164,286.08
Indirect Cost Recovery				87,467.53	—	87,467.53
Technology Fees				453,329.16	—	453,329.16
Restricted/Sponsored Funds				70,238.54	—	70,238.54
Property Reserves				—	—	—
Tuition Carry-Forward				196,399.56	—	196,399.56
Uncollectible Accounts Receivable				249,150.37	—	249,150.37
Inventories				—	—	—
Early Retirement Program				—	—	—
Surplus				—	9,007.76	9,007.76
Deficit				—	—	—
				\$ 1,220,871.24	\$ 9,007.76	\$ 1,229,879.00

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





# **GORDON STATE COLLEGE**

419 College Drive  
Barnesville, GA 30204

[gordonstate.edu](http://gordonstate.edu)