



GORDON STATE COLLEGE

Annual Financial Report
Fiscal Year 2025



GORDON STATE COLLEGE
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For the Fiscal Year Ended June 30, 2025

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Introductory Section



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. Don Green, 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, 2025, 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 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, 2025. Additionally, we performed procedures on Gordon State College's Federal Student Aid programs for the year ended June 30, 2025, to meet the requirements of COC Standard 13.6. Included in a separate Report on Review and Federal Compliance Procedures is a section on findings and other items for any matters that came to our attention during our engagement, including results of our testing of the Federal Student Aid programs.

Additionally, we have performed certain procedures at 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, 2025.

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,

A handwritten signature in black ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

December 3, 2025

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 up in FY25 when compared to previous years as shown below:

	STUDENT HEADCOUNT	STUDENT FTE
FY 2025	3,232	2,543
FY 2024	3,145	2,574
FY 2023	3,144	2,571

Overview of the Financial Statements and Financial Analysis

Gordon State College is pleased to present its financial statements for fiscal year 2025. 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 2025 and fiscal year 2024.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2025 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, deferred outflows of resources and liabilities, deferred inflows of resources (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, 2025	June 30, 2024	Increase/ (Decrease)	% Change
ASSETS					
Current Assets	\$	16,708,826	\$ 16,371,881	\$ 336,945	2.06 %
Capital Assets, Net		64,472,912	66,897,804	(2,424,892)	(3.62)%
Intangible Right-to-Use Assets, Net		232,700	191,081	41,619	22 %
Other Assets		355,149	355,149	—	— %
TOTAL ASSETS		81,769,587	83,815,915	(2,046,328)	(2.44)%
DEFERRED OUTFLOWS		6,467,886	8,950,783	(2,482,897)	(27.74)%
LIABILITIES					
Current Liabilities		4,283,113	3,964,644	318,469	8.03 %
Non-Current Liabilities		53,738,949	63,108,272	(9,369,323)	(14.85)%
TOTAL LIABILITIES		58,022,062	67,072,916	(9,050,854)	(13.49)%
DEFERRED INFLOWS		14,099,840	12,840,734	1,259,106	9.81 %
NET POSITION					
Net Investment in Capital Assets		35,978,992	36,404,809	(425,817)	(1.17)%
Restricted, Expendable		2,773,379	2,589,904	183,475	7.08 %
Unrestricted		(22,636,800)	(26,141,665)	3,504,865	(13.41)%
TOTAL NET POSITION	\$	16,115,571	\$ 12,853,048	\$ 3,262,523	25.38 %

Total assets decreased \$2,046,328 which was due to an increase in current assets of \$336,945, a decrease in net capital assets of \$2,424,892, an increase in intangible rights-to-use assets increase of \$41,619 and remained constant in other assets of \$0.

Total deferred outflows of resources decreased by \$2,482,897 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 \$9,050,854 which was due to an increase in current liabilities of \$318,469 and a decrease in non-current liabilities of \$9,369,323. The substantial decrease in noncurrent liabilities is primarily due to the change in net pension liabilities 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.

Total deferred inflows of resources increased by \$1,259,106 which is primarily attributable to the net increase in Deferred Gain on Defined Benefit Pension Plans and Deferred Gain on OPEB Plan of \$1,403,940. The remaining decrease is due to the decrease in Deferred Gain on Debt Refunding and Unavailable Revenues.

The combination of the change in total assets and deferred outflows of resources and the change in total liabilities and deferred inflows of resources yielded an increase in net position of \$3,262,523.

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.

The following table summarizes the Statement of Revenues, Expenses and Changes in Net Position as of June 30, 2025 and June 30, 2024.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Operating Revenue	\$ 11,932,068	\$ 12,615,178	\$ (683,110)	(5.41)%
Operating Expense	34,476,884	36,875,519	(2,398,635)	(6.50)%
Operating Income/Loss	(22,544,816)	(24,260,341)	1,715,525	(7.07)%
Non-Operating Revenue and Expense	25,445,009	22,382,053	3,062,956	13.68 %
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	2,900,193	(1,878,288)	4,778,481	(254.41)%
Other Revenues, Expenses, Gains, Losses and Special Items	362,330	451,011	(88,681)	(19.66)%
Change in Net Position	3,262,523	(1,427,277)	4,689,800	(328.58)%
Net Position at Beginning of year	12,853,048	14,280,325	(1,427,277)	(9.99)%
Net Position at End of Year	\$ 16,115,571	\$ 12,853,048	\$ 3,262,523	25.38 %

The Statement of Revenues, Expenses and Changes in Net Position reflect a positive year, which is represented by an increase in Change in Net Position for fiscal year 2025. Some highlights of the information presented on this statement are as follows:

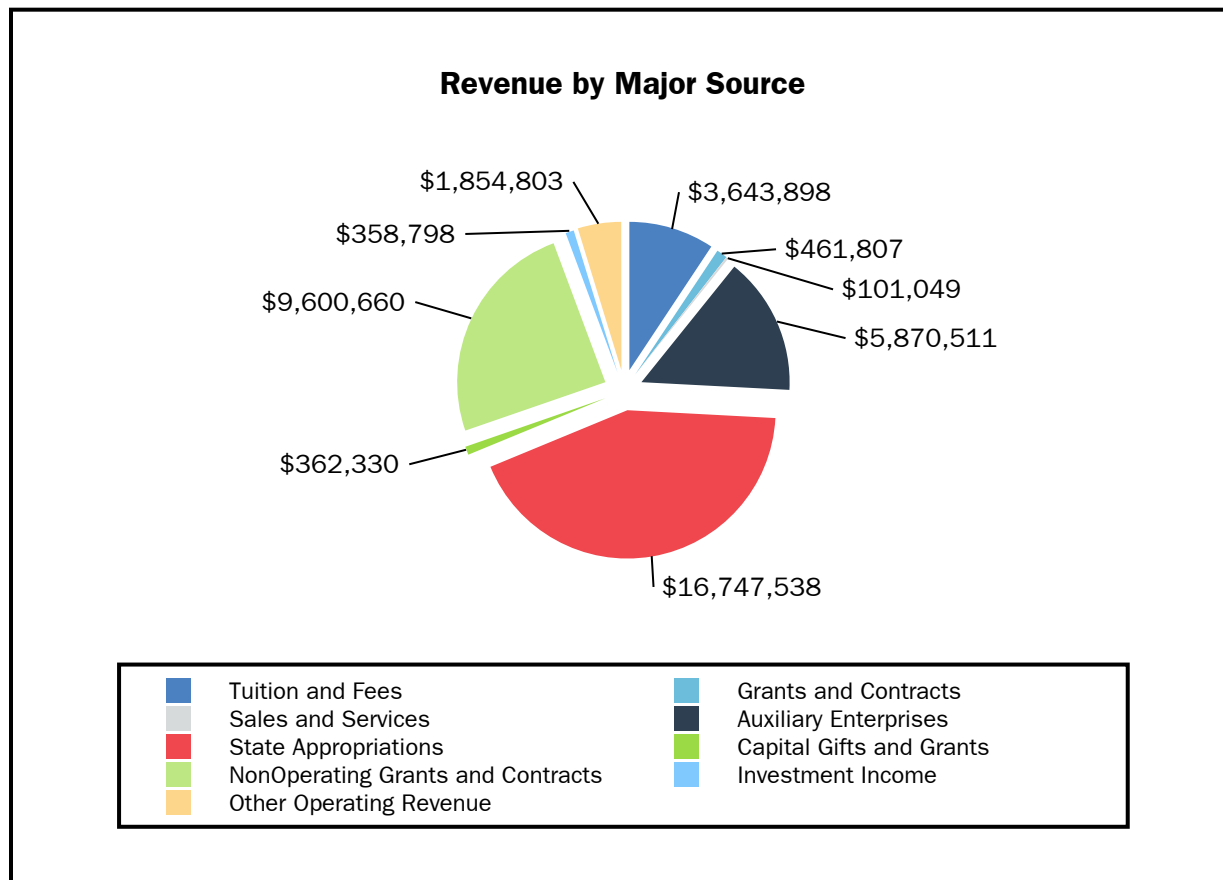
Revenues

In fiscal year 2025, State Appropriations increased by \$1,639,979, Grants and Contracts non-operating revenue increased by \$1,251,324, primarily due to a net increase in Pell federal revenue. Net tuition and fee revenues decreased by \$289,438 primarily due to the change in the Scholarship and Allowance amount recognized for fiscal year 2025 when compared to fiscal year 2024.

For the years ended June 30, 2025 and June 30, 2024, revenues by source were as follows:

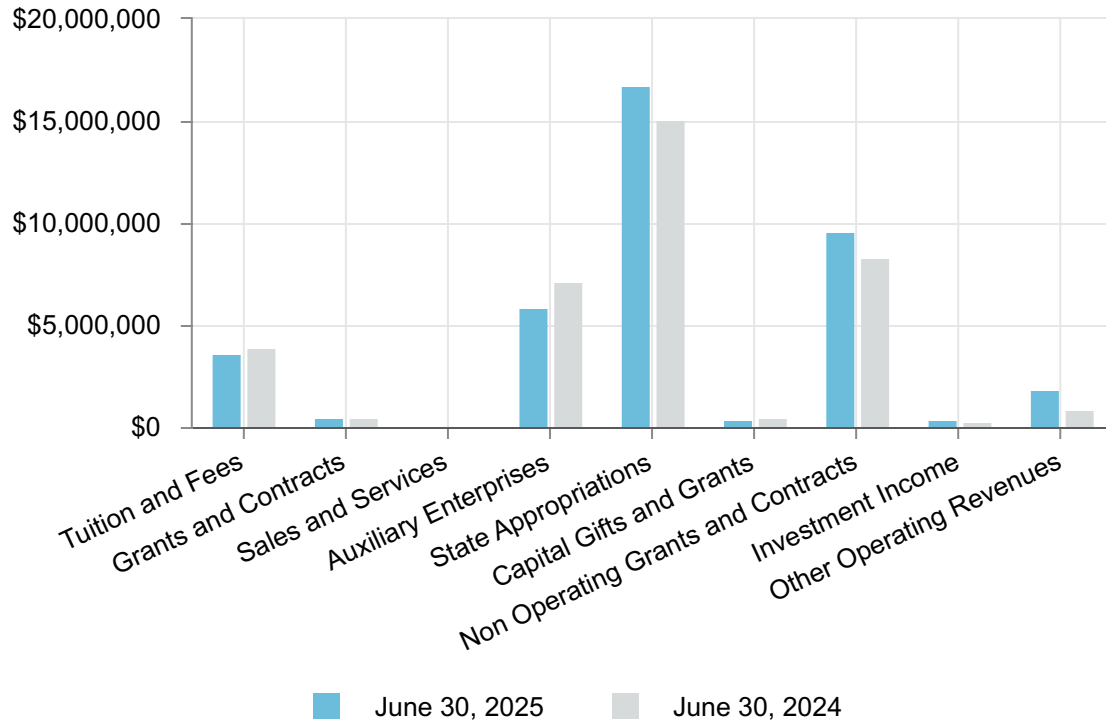
REVENUES BY SOURCE	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Tuition and Fees	\$ 3,643,898	\$ 3,933,336	\$ (289,438)	(7.36)%
Grants and Contracts	461,807	477,265	(15,458)	(3.24)%
Sales and Services	101,049	128,484	(27,435)	(21.35)%
Auxiliary Enterprises	5,870,511	7,187,948	(1,317,437)	(18.33)%
Other Operating Revenues	1,854,803	888,145	966,658	108.84 %
Total Operating Revenues	11,932,068	12,615,178	(683,110)	(5.41)%
State Appropriations	16,747,538	15,107,559	1,639,979	10.86 %
Grants and Contracts	9,600,660	8,349,336	1,251,324	14.99 %
Gifts	78,210	—	78,210	100.00 %
Investment Income	358,798	339,359	19,439	5.73 %
Other Nonoperating Revenues (Expenses)	(189,435)	(189,736)	301	(0.16)%
Total Nonoperating Revenues	26,595,771	23,606,518	2,989,253	12.66 %
State Capital Gifts and Grants	362,330	451,011	(88,681)	(19.66)%
Other Capital Gifts and Grants	—	—	—	0.00 %
Total Capital Gifts and Grants	362,330	451,011	(88,681)	(19.66)%
Total Revenues	\$ 38,890,169	\$ 36,672,707	\$ 2,217,462	6.05 %

Revenue by major source is depicted by the following chart:



Revenue by major source for the years ended June 30, 2025 and June 30, 2024 is depicted by the following chart:

Revenue Source by Major Source (in millions)



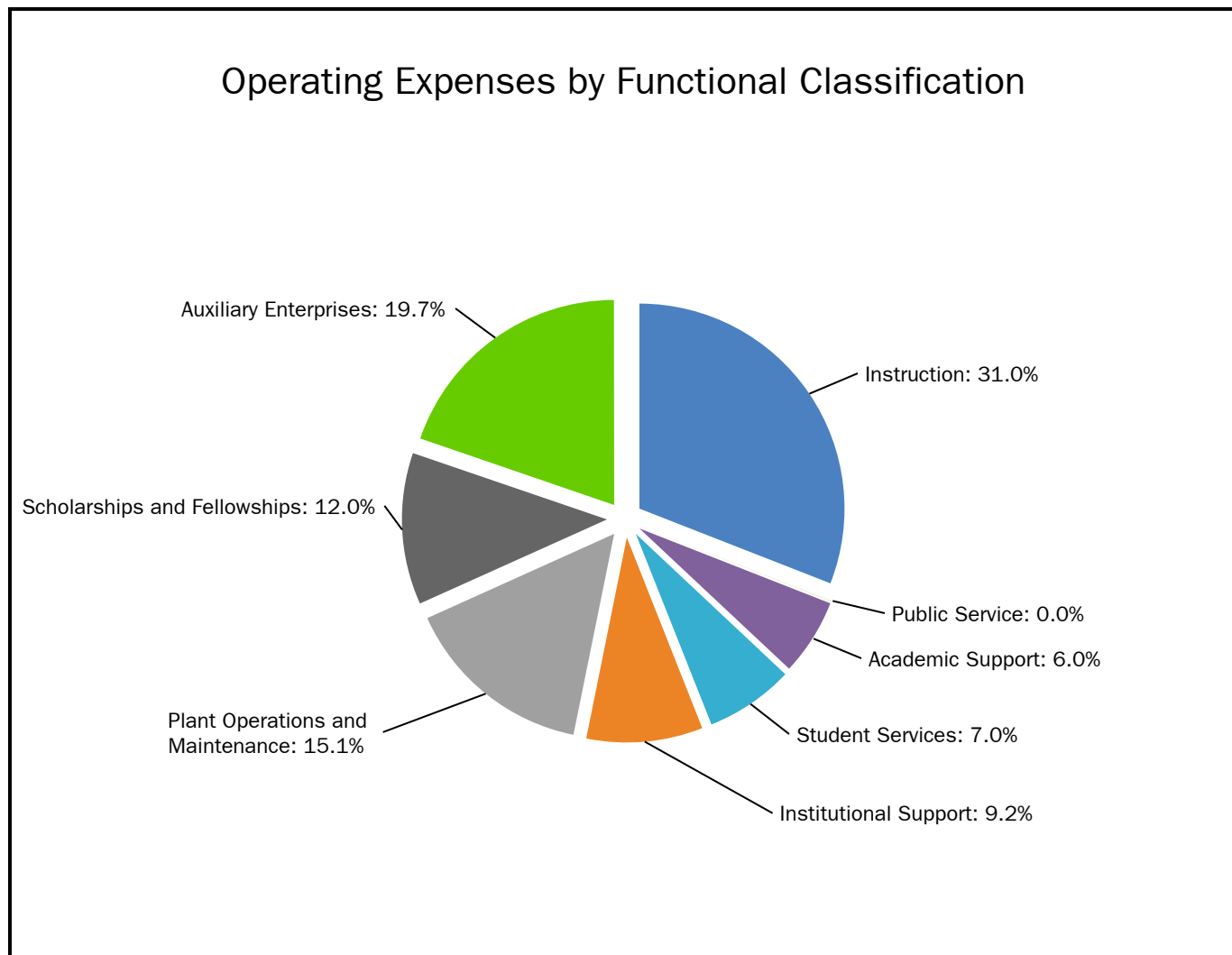
Expenses

For the years ended June 30, 2025 and June 30, 2024 expenses by functional classification were as follows:

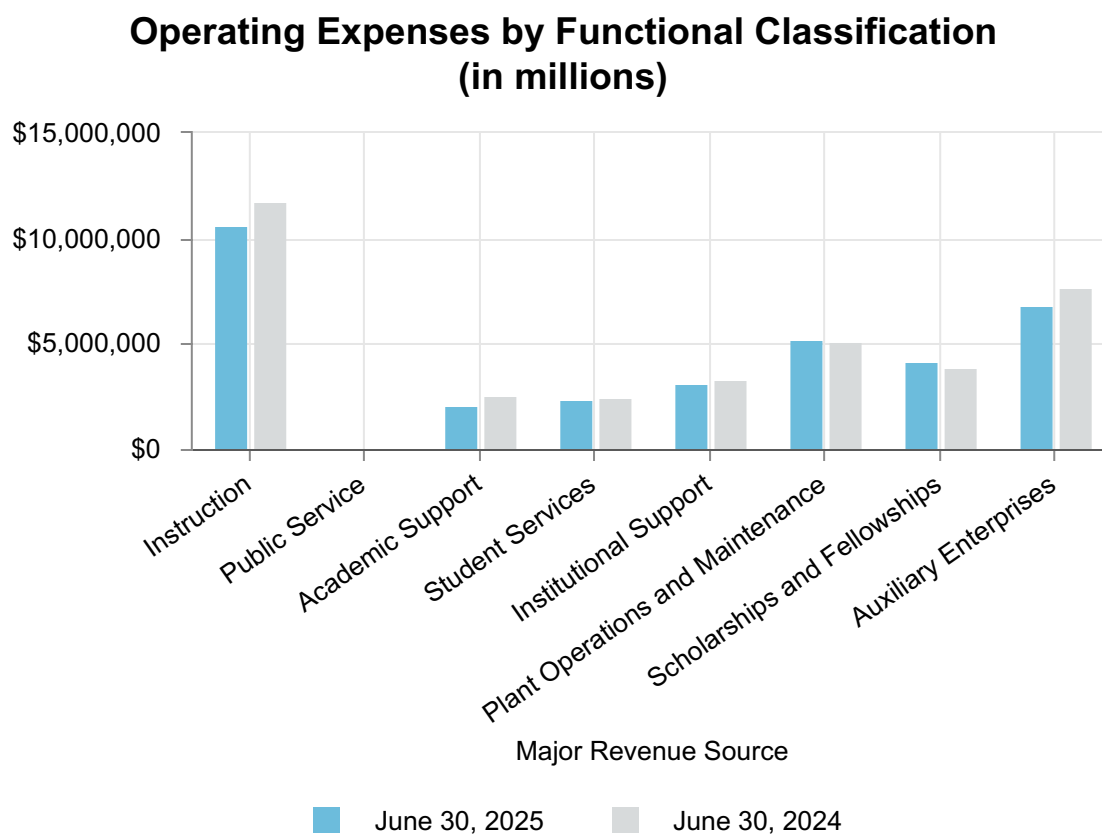
EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2025	June 30, 2024	Increase/ (Decrease)	% Change
Instruction	\$ 10,670,880	\$ 11,770,244	\$ (1,099,364)	(9.34)%
Research	—	—	—	— %
Public Service	1,000	—	1,000	100.00 %
Academic Support	2,083,324	2,601,246	(517,922)	(19.91)%
Student Services	2,413,699	2,472,059	(58,360)	(2.36)%
Institutional Support	3,167,762	3,336,155	(168,393)	(5.05)%
Plant Operations and Maintenance	5,202,905	5,149,720	53,185	1.03 %
Scholarships and Fellowships	4,130,566	3,878,313	252,253	6.50 %
Auxiliary Enterprises	6,806,748	7,667,782	(861,034)	(11.23)%
Unallocated Expenses	—	—	—	— %
Total Operating Expenses	34,476,884	36,875,519	(2,398,635)	(6.50)%
Interest Expense	1,150,762	1,224,465	(73,703)	-6.02 %
Total Nonoperating Expenses	1,150,762	1,224,465	(73,703)	(6.02)%
Total Expenses	\$ 35,627,646	\$ 38,099,984	\$ (2,472,338)	(6.49)%

Total operating expenses were \$34,476,884 in fiscal year 2025, a decrease of \$2,398,635 when compared with fiscal year 2024. This decrease is primarily attributable to the following changes in functional classifications: a decrease to Instruction of \$1,099,364 Auxiliary Enterprises of \$861,034, Academic Support of \$517,922, and Institutional Support of \$168,393 netted with increases within Plant Operations and Maintenance of \$53,185, and Scholarships and Fellowships in the amount of \$252,253.

The following chart depicts functional expenses as a percentage of total fiscal year 2025 operating expenses.

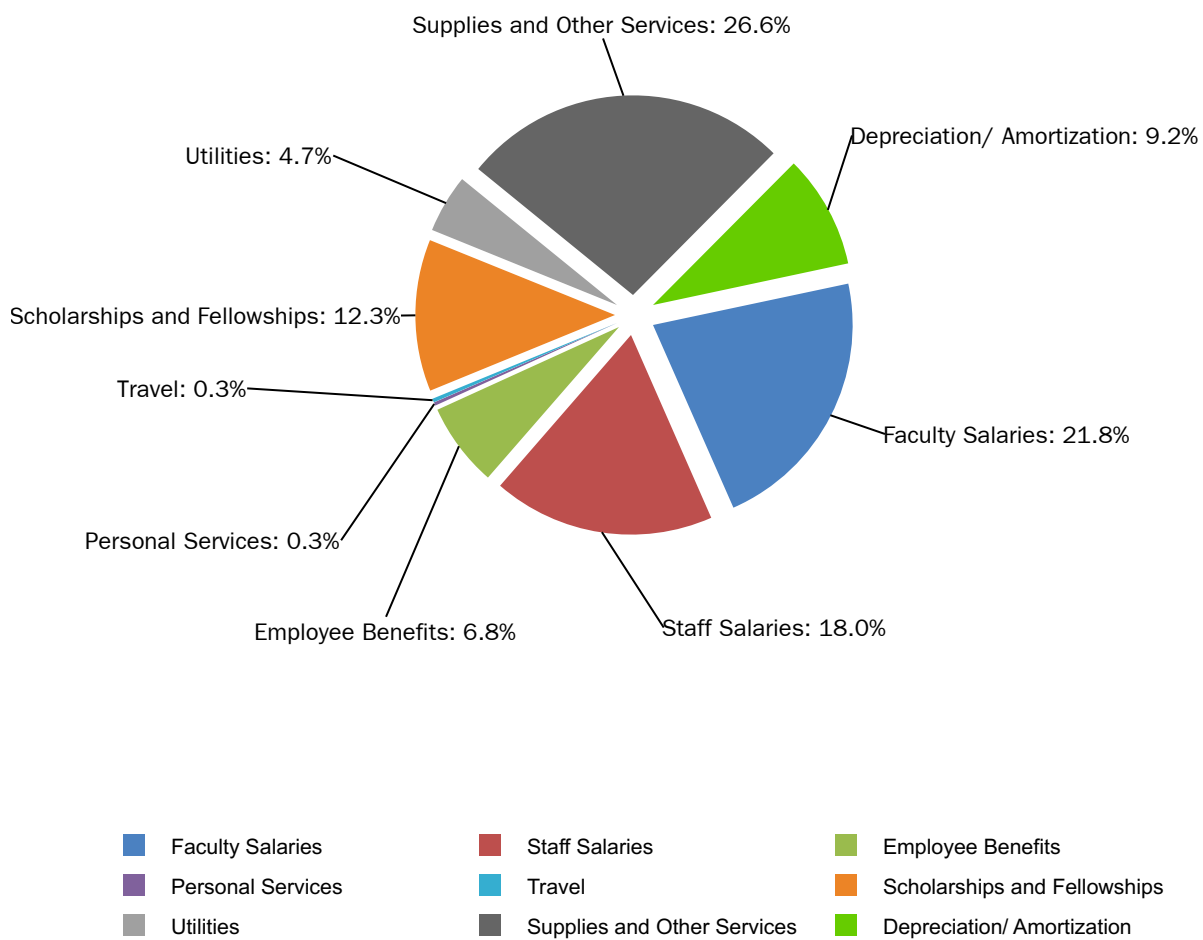


Operating expenses by functional classification for the years ended June 30, 2025 and June 30, 2024 is depicted by the following chart:

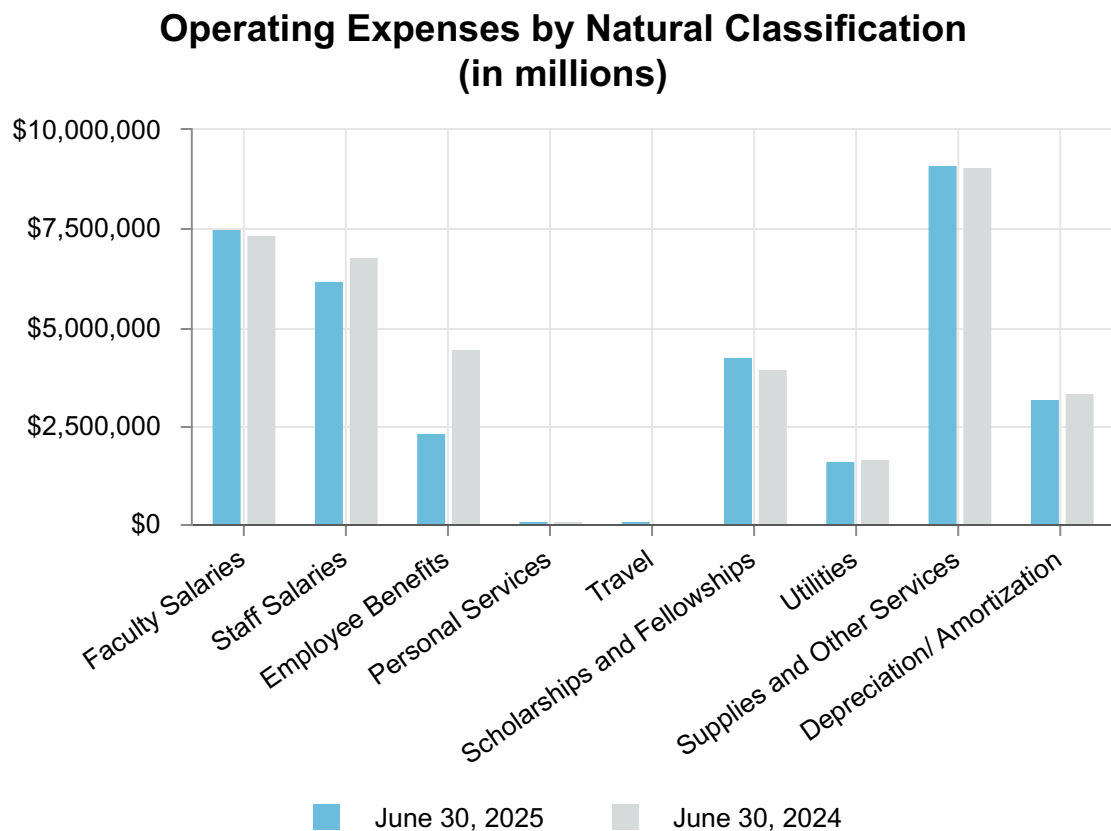


The following chart depicts the fiscal year 2025 operating expenses by natural classification.

Operating Expenses by Natural Classification



Operating expenses by by natural classification for the years ended June 30, 2025 and June 30, 2024 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, 2025 and 2024, Condensed were as follows

CONDENSED STATEMENT OF NET CASH FLOWS		
	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Operating Activities	\$ (21,913,151)	\$(22,375,624)
Non-Capital Financing Activities	26,715,176	27,949,692
Capital and Related Financing Activities	(3,465,717)	(3,582,080)
Investing Activities	358,798	339,360
NET CHANGE IN CASH	1,695,106	2,331,348
Cash, beginning of year	11,853,125	9,521,777
CASH, end of year	\$ 13,548,231	\$ 11,853,125

Capital & Intangible Right-to-Use Assets

Capital assets, net of accumulated depreciation, at June 30, 2025 and June 30, 2024 were as follows:

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2025	June 30, 2024	Increase (Decrease)	% Change
Land	\$ 2,313,508	\$ 2,313,508	\$ —	— %
Construction Work-in-Progress	125,180	—	125,180	100.00 %
Infrastructure	182,038	182,038	—	— %
Building and Building Improvements	58,976,640	61,591,338	(2,614,698)	(4.25)%
Facilities and Other Improvements	904,855	989,644	(84,789)	(8.57)%
Equipment	1,735,473	1,568,159	167,314	10.67 %
Library Collections	38,973	50,312	(11,339)	(22.54)%
Capitalized Collections	196,245	202,805	(6,560)	(3.23)%
Capital Assets, net of accumulated depreciation and amortization	\$ 64,472,912	\$ 66,897,804	\$ (2,424,892)	(3.62)%

Intangible Right-to-Use, net of accumulated amortization, at June 30, 2025 and June 30, 2024 were as follows:

INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization	June 30, 2025	June 30, 2024	Increase (Decrease)	% Change
Intangibles in Progress	\$ —	\$ —	\$ —	—
Land	\$ —	\$ —	\$ —	—
Infrastructure	—	—	—	—
Building and Building Improvements	—	—	—	0.00 %
Facilities and Other Improvements	—	—	—	—
Equipment	\$ 225,560	\$ 98,272	127,288	129.53 %
Subscription Based IT Arrangements (SBITAs)	7,140	92,809	(85,669)	(92.31)%
Intangible Right-to-Use Assets, net of accumulated amortization	\$ 232,700	\$ 191,081	\$ 41,619	21.78 %

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

Long Term Liabilities

Gordon State College had Long-Term Liabilities of \$28.6 million excluding pension and OPEB liability of \$27.62 million at June 30, 2025.

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

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 2025, Gordon State College saw Fall 2024 enrollment increase 2.8% over Fall 2023. The College expects to continue to experience slow enrollment growth during fiscal year 2026.

Recent reports by the United States Bureau of Labor Statistics have shown that while the national unemployment rate in June of 2025 was 4.1%, the state of Georgia unemployment rate was 3.5%. The unemployment rate in Lamar County (Barnesville, GA) was 4.7%, which is a little higher than both the national and state rate.

Gordon State College received a slight increase in state appropriations for fiscal year 2025. While student head count slightly increased from the prior year, the college's administration anticipates that the upcoming 2026 fiscal year budget will be much like fiscal year 2025.

Gordon State College's overall financial position for fiscal year 2025 was positive. With the current inflation affecting operational costs, 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, 2025**

	Gordon State College
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 13,548,231
Accounts Receivable, net	
Federal Financial Assistance	168,118
Affiliated Organizations	55,287
Other	2,676,812
Inventories	187,467
Prepaid Items	72,911
Other Assets	—
Total Current Assets	<u>16,708,826</u>
Non-Current Assets	
Accounts Receivable, net	
Due From USO - Capital Liability Reserve Fund	355,149
Capital Assets, net	64,472,912
Intangible Right-to-Use Assets, net	232,700
Total Non-Current Assets	<u>65,060,761</u>
TOTAL ASSETS	<u>81,769,587</u>
DEFERRED OUTFLOWS OF RESOURCES (See Note 9)	<u>\$ 6,467,886</u>

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

GORDON STATE COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2025

	Gordon State College
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 1,094,730
Salaries Payable	73,710
Benefits Payable	66,086
Advances (Including Tuition and Fees)	552,524
Deposits	50,277
Deposits Held for Other Organizations	12,099
Other Liabilities	5,528
Notes and Loans Payable	1,912,750
Lease Obligations - External	85,541
Compensated Absences	429,868
Total Current Liabilities	<u>4,283,113</u>
Non-Current Liabilities	
Notes and Loans Payable	25,720,977
Lease Obligations - External	138,105
Compensated Absences	262,981
Net Other Post Employment Benefits Liability	12,464,589
Net Pension Liability	15,152,297
Total Non-Current Liabilities	<u>53,738,949</u>
TOTAL LIABILITIES	<u>58,022,062</u>
DEFERRED INFLOWS OF RESOURCES (See Note 9)	<u>14,099,840</u>
NET POSITION	
Net Investment in Capital Assets	35,978,992
Expendable	2,773,379
Unrestricted (Deficit)	<u>(22,636,800)</u>
TOTAL NET POSITION	<u>\$ 16,115,571</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, 2025

	Gordon State College
OPERATING REVENUES	
Student Tuition and Fees (net)	\$ 3,643,898
Grants and Contracts	
Federal	19,745
State	37,601
Other	404,461
Sales and Services	101,049
Rents and Royalties	18,965
Auxiliary Enterprises	
Residence Halls	3,208,778
Bookstore	596,614
Food Services	1,510,972
Parking/Transportation	46,833
Health Services	83,927
Intercollegiate Athletics	375,200
Other Organizations	48,187
Other Operating Revenues	1,835,838
Total Operating Revenues	11,932,068
OPERATING EXPENSES	
Faculty Salaries	7,499,783
Staff Salaries	6,197,673
Employee Benefits	2,350,714
Other Personal Services	99,711
Travel	106,393
Scholarships and Fellowships	4,249,816
Utilities	1,633,816
Supplies and Other Services	9,161,619
Depreciation	3,177,359
Total Operating Expenses	34,476,884
Operating (Loss)	\$ (22,544,816)

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, 2025

	Gordon State College
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	\$ 16,747,538
Grants and Contracts	
Federal	9,421,485
Other	179,175
Gifts	78,210
Investment Income	358,798
Interest Expense	(1,150,762)
Other Nonoperating Expenses	(189,435)
	<hr/>
Net Nonoperating Revenues	25,445,009
	<hr/>
Income Before Other Revenues, Expenses, Gains, or Losses	2,900,193
	<hr/>
Capital Grants and Gifts	
State	362,330
	<hr/>
Total Other Revenues, Expenses, Gains or Losses	362,330
	<hr/>
Change in Net Position	3,262,523
	<hr/>
Net Position, Beginning of Year	12,853,048
	<hr/>
Net Position, End of Year	<u><u>\$ 16,115,571</u></u>

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, 2025

	Gordon State College
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 12,226,769
Federal Appropriations	—
Grants and Contracts (Exchange)	515,814
Payments to Suppliers	(16,171,249)
Payments to Employees	(14,224,609)
Payments for Scholarships and Fellowships	(4,249,816)
Other Payments	(10,060)
Net Cash Used by Operating Activities	(21,913,151)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	16,747,538
Gifts and Grants Received for Other Than Capital Purposes	10,157,074
Other Non-Capital Financing Payments	(189,436)
Net Cash Flows Provided by Non-Capital Financing Activities	26,715,176
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	436,583
Purchases of Capital and Intangible Assets	(628,101)
Principal Paid on Capital Debt and Intangible Leases	(1,978,604)
Interest Paid on Capital Debt and Intangible Leases	(1,295,595)
Net Cash Used by Capital and Related Financing Activities	(3,465,717)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	358,798
Net Cash Provided by Investing Activities	358,798
Net Increase in Cash and Cash Equivalents	1,695,106
Cash and Cash Equivalents, Beginning of Year	11,853,125
Cash and Cash Equivalents, End of Year	\$ 13,548,231

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, 2025

	<u>Gordon State College</u>
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (22,544,816)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	3,177,359
Change in Assets and Liabilities:	
Receivables, net	662,325
Inventories	154,519
Prepaid Items	(11,141)
Accounts Payable	252,204
Salaries Payable	(63,443)
Benefits Payable	8,724
Deposits	(53,697)
Advances (Including Tuition and Fees)	148,264
Other Liabilities	5,234
Funds Held for Others	(10,060)
Compensated Absences	(357,318)
Net Pension Liability	(4,968,097)
Other Post-Employment Benefit Liability	(2,200,045)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	1,403,940
Deferred Outflows of Resources	<u>2,482,897</u>
Net Cash Used by Operating Activities	<u><u>\$ (21,913,151)</u></u>
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND	
RELATED FINANCING TRANSACTIONS	
Current Year Accruals Related to Non-operating Non-capital Grants and Gifts	<u>\$ 145,418</u>
Current Year Accruals Related to Capital Financing Activities	<u>\$ 120,740</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ 224,102</u>
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	<u><u>\$ 144,833</u></u>

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, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 13,823
Receivables	
Other	281,973
	<hr/>
Total Assets	<u>295,796</u>
LIABILITIES	
Accounts Payable	24,131
Deposits held for other organizations	927
	<hr/>
Total Liabilities	<u>25,058</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 270,738</u></u>

GORDON STATE COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 6,780,637
State Financial Aid	3,064,959
Other Financial Aid	371,913
Clubs and Other Organizations Fund Raising	35,013
	<hr/>
Total Additions	<u>10,252,522</u>
DEDUCTIONS	
Scholarships and Other Student Support	9,980,431
Student Organizations Support	167,181
	<hr/>
Total Deductions	<u>10,147,612</u>
	<hr/>
Net Increase (Decrease) in Fiduciary Net Position	<u>104,910</u>
	<hr/>
Net Position, Beginning of Year	<u>165,828</u>
	<hr/>
Net Position, End of Year	<u><u>\$ 270,738</u></u>

Notes to the Financial Statements

GORDON STATE COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, 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, 2025, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the GASB and are presented as required by these standards to provide a comprehensive, entity-wide perspective of 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 2022, the GASB issued Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. The objectives of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Under this statement, leave liabilities should be recognized for both unused and used-but-unsettled leave, attributable to services already rendered, that accumulates and is likely to be used or paid. The adoption of this statement does not have a significant impact on the financial statements.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures, effective for fiscal years beginning after June 15, 2024. The objectives of this Statement are to enhance accounting and financial reporting requirements to provide better information to understand and anticipate certain risks to the financial condition by disclosing certain concentrations or constraints and related events that have occurred or have begun to occur that could result in a substantial impact. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

Cash and Cash Equivalents

Cash and Cash Equivalents 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, 2025 are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value 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 leases under which it is obligated as a lessee. Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. Financed leases, which transfer ownership, are included in capital assets and notes payable on the Statement of Net Position.

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

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

Capital Liability Reserve Fund

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term capital lease obligations. All USG institutions participating in the PPV program finance the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. The balance included on 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 leave with pay is accrued at the end of the fiscal year for financial statement purposes for any unused or unsettled balances. 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 and subscription obligations with contractual maturities greater than one year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

Deferred Inflows of Resources

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

Other Post-Employment Benefit (OPEB) 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 \$5,524,340 and waivers in the amount of \$604,376.

Changes in Accounting Estimates

In 2000, the National Association of College and University Business Officers (NACUBO) provided initial guidance on accounting for and reporting financial aid as a discount, commonly referred to as a scholarship allowance. However, NACUBO Advisory 2023-1 recognized that the initial guidance from 2000 understated the actual scholarship allowance while overstating the expense. For the fiscal year ended June 30, 2025, the College adopted the revised principles outlined in NACUBO Advisory 2023-1 to ensure more accurate calculations of the scholarship allowance, resulting in a change in accounting estimate.

The change in estimate was implemented prospectively and reflects updated assumptions and methodologies based on the Advisory's recommendations. The impact of this change on the financial statements for the current fiscal year, as reflected in the Statement of Revenues and Expenditures, is an increase in Student Tuition and Fees (net) and a decrease in Operating Expenses: Scholarship and Fellowships.

This change in methodology does not have any impact on the change in net position for prior years.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2025 are classified in the accompanying Statement of Net Position and Statement of Fiduciary Net Position as follows:

Statement of Net Position

Current	
Cash and Cash Equivalents	\$ 13,548,231
Statement of Fiduciary Net Position	
Cash and Cash Equivalents	13,823
	<u>\$ 13,562,054</u>

Cash on hand, deposits and investments as of June 30, 2025 consist of the following:

Cash on Hand	\$ 3,501
Deposits with Financial Institutions	7,761,009
Investments	5,797,544
	<u>\$ 13,562,054</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, 2025, the bank balances of Gordon State College's deposits totaled \$8,016,198. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the USG. 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, 2025.

	<u>Fair Value</u>
Investment Pools	
Board of Regents	
Short-Term Fund	<u>\$ 5,797,544</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, 2025 was \$5,797,544, of which 100% is invested in debt securities. The Effective Duration of the Fund is 1.03 years.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments that will adversely affect the fair value of an investment. 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 policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds:

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

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2025:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 571,514	\$ 546
Auxiliary Enterprises and Other Operating Activities	850,181	—
Federal Financial Assistance	168,118	—
Georgia State Financing and Investment Commission	647,966	—
Due from Affiliated Organizations	55,287	—
Due From Other USG Institutions	440,459	—
Other	1,354,923	281,427
	4,088,448	281,973
Less: Allowance for Doubtful Accounts	833,082	—
Net Accounts Receivable	<u>\$ 3,255,366</u>	<u>\$ 281,973</u>

Other accounts receivable includes approximately \$1,353,807 of Employee Retention Credit funds.

Note 4 Inventories

Inventories consisted of the following at June 30, 2025:

Merchandise for Resale	<u>\$ 187,467</u>
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Note 5 Notes and Loans Receivable

As of June 30, 2025, 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, 2025 are shown below:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Capital Assets, Not Being Depreciated:				
Land	\$ 2,313,508	\$ —	\$ —	\$ 2,313,508
Construction Work-in-Progress	—	125,180	—	125,180
Total Capital Assets Not Being Depreciated	2,313,508	125,180	—	2,438,688
Capital Assets, Being Depreciated:				
Infrastructure	1,400,297	—	—	1,400,297
Building and Building Improvements	114,000,694	—	—	114,000,694
Facilities and Other Improvements	2,651,007	—	—	2,651,007
Equipment	7,337,373	439,373	(20,851)	7,797,597
Library Collections	2,412,267	5,428	97,221	2,320,474
Capitalized Collections	262,390	—	—	262,390
Total Capital Assets Being Depreciated	128,064,028	444,801	76,370	128,432,459
Less: Accumulated Depreciation				
Infrastructure	1,218,259	—	—	1,218,259
Building and Building Improvements	52,409,356	2,614,698	—	55,024,054
Facilities and Other Improvements	1,661,363	84,789	—	1,746,152
Equipment	5,769,214	272,062	(20,848)	6,062,124
Library Collections	2,361,955	16,767	97,221	2,281,501
Capitalized Collections	59,585	6,560	—	66,145
Total Accumulated Depreciation	63,479,732	2,994,876	76,373	66,398,235
Total Capital Assets, Being Depreciated, Net	64,584,296	(2,550,075)	(3)	62,034,224
Capital Assets, net	<u>\$ 66,897,804</u>	<u>\$ (2,424,895)</u>	<u>\$ (3)</u>	<u>\$ 64,472,912</u>

Intangible Right-to-Use Assets

Changes in intangible assets for the year ended June 30, 2025 are shown below:

	Beginning Balances July 1, 2024	Additions	Reductions	Ending Balance June 30, 2025
Intangible Right-to-use Assets, Not Being Amortized:				
Intangibles in Progress	\$ —	0	0	\$ —
Intangible Right-to-use Assets, Being Amortized:				
Equipment	\$ 342,400	\$ 224,102	\$ 134,825	\$ 431,677
Subscription Based IT Arrangements (SBITAs)	257,008	—	—	257,008
Total Intangible Right-to-Use Being Amortized, Net	599,408	224,102	134,825	688,685
Less: Accumulated amortization				
Equipment	244,128	96,814	134,825	206,117
Subscription Based IT Arrangements (SBITAs)	164,199	85,669	—	249,868
Total Intangible Right-to-Used Assets Being Amortized, Net	408,327	182,483	134,825	455,985
Total Intangible Right-to-use Assets, net	<u>\$ 191,081</u>	<u>\$ 41,619</u>	<u>\$ —</u>	<u>\$ 232,700</u>

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

Fiscal Year	Depreciation & Amortization Expense
2025	3,177,359
2024	3,338,086
2023	3,417,533

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2025:

	Current Liabilities
Prepaid Tuition and Fees	\$ 546,535
Other - Advances	5,989
	<hr/>
Totals	\$ 552,524
	<hr/> <hr/>

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Lease & Subscription Obligations					
Lease Obligations	\$ 83,770	\$ 224,102	\$ 84,226	\$ 223,646	\$ 85,541
Subscription Obligations	68,724	—	68,724	—	—
Total	<hr/> 152,494	<hr/> 224,102	<hr/> 152,950	<hr/> 223,646	<hr/> 85,541
Other Liabilities					
Compensated Absences	1,050,166	534,131	891,448	692,849	429,868
Notes and Loans Payable	29,459,381	—	1,825,654	27,633,727	1,912,750
Total	<hr/> 30,509,547	<hr/> 534,131	<hr/> 2,717,102	<hr/> 28,326,576	<hr/> 2,342,618
Total Long-Term Obligations	<hr/> <hr/> \$ 30,662,041	<hr/> <hr/> \$ 758,233	<hr/> <hr/> \$ 2,870,052	<hr/> <hr/> \$ 28,550,222	<hr/> <hr/> \$ 2,428,159

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

Notes and Loans Payable

Financing Lease Agreements

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 2025 were \$1,825,654 and \$1,289,390, respectively. Interest rates range from 3.87% to 5.18%.

The College has \$27,633,727 in outstanding notes and loans payable due to affiliated organizations and other related party organizations for financing lease agreements.

The following is a summary of the carrying values of assets held under financing lease agreements at June 30, 2025:

Description	Gross Amount (+)	Less: Accumulated Amortization (-)	Net Assets Held Under Financing Lease Arrangements at June 30, 2025 (=)	Outstanding Balances per Lease Schedules at June 30, 2025
Finance Buildings and Building Improvements	47,379,537	26,885,620	20,493,917	27,633,727
Total Assets Held Under Finance Lease Arrangement	<u>\$ 47,379,537</u>	<u>\$ 26,885,620</u>	<u>\$ 20,493,917</u>	<u>\$ 27,633,727</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	\$ 4,139,598 (1)
GORD - Gordon Village	USG Foundation	18,394,975	20 years	June, 2018	May, 2038	13,630,465 (1)
GORD - SARC	Gordon State College Foundation, Inc	12,102,035	30 years	July, 2014	June, 2043	9,863,664 (1)
Total Financed Leases		<u>\$ 39,136,423</u>				<u>\$27,633,727</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, 2025.

	Principal	Interest
Year Ending June 30:		
2026	\$ 1,912,750	\$ 1,208,993
2027	1,994,932	1,124,827
2028	2,085,749	1,038,451
2029	2,179,470	945,014
2030	2,276,139	848,928
2031 through 2035	7,851,930	3,131,919
2036 through 2040	6,982,926	1,315,098
2041 through 2045	2,349,831	192,525
Total Minimum Lease Payments	<u>\$ 27,633,727</u>	<u>\$ 9,805,755</u>

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, 2025, consisted of the following:

Deferred Outflow of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	\$	4,776,023
Deferred Outflow on OPEB Plan (See Note 17)		1,691,863
Total Deferred Outflows of Resources	\$	6,467,886

Deferred Inflow of Resources

Deferred Inflow on Debt Refunding	\$	869,247
Deferred Inflow on Defined Benefit Pension Plans (See Note 14)		4,402,681
Deferred Inflow on OPEB Plan (See Note 17)		8,827,912
Total Deferred Inflows of Resources	\$	14,099,840

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.

Note 10 Net Position

The breakdown of business-type activity net position for Gordon State College fund at June 30, 2025 is as follows:

NET POSITION	
Net Investment in Capital Assets	\$ 35,978,992
Restricted for	
Expendable	
Sponsored and Other Organized Activities	2,773,379
Unrestricted	
Auxiliary Enterprises Operations	7,735,671
Auxiliary Enterprises Renewals and Replacement Reserve	
Reserve for Encumbrances	3,182,120
Capital Liability Reserve Fund	355,149
Other Unrestricted	(33,909,740)
Sub-Total	(22,636,800)
Total Net Position	\$ 16,115,571

Other unrestricted net position is reduced by \$19,600,638 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 \$14,778,955 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, 2025 are as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Net Investments in Capital Assets	\$ 36,404,809	\$ 2,830,807	\$ 3,256,624	\$ 35,978,992
Restricted Net Position	2,589,904	10,424,797	10,241,322	2,773,379
Unrestricted Net Position	(26,141,665)	28,654,807	25,149,942	(22,636,800)
Total Net Position	\$ 12,853,048	\$ 41,910,411	\$ 38,647,888	\$ 16,115,571

Note 11 Endowments

Gordon State College did not have donor restricted endowments at June 30, 2025.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2025. In addition to these encumbrances, the college had no other significant unearned outstanding construction or renovation contracts as of June 30, 2025.

Note 13 Leases and Subscriptions

Gordon State College is obligated under various lease agreements for the acquisition or use of real property and equipment. The College also enters into certain subscription-based contracts to use vendor-provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements are subject to appropriation from the General Assembly to continue the obligation.

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by 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 2025 were \$84,226 and \$6,050, respectively. Interest rates range from 2.26% to 2.74%. The college's principal and interest payments related to SBITAs for fiscal year 2025 were \$68,724 and \$155, respectively. Interest rate ranges from .035% to .045%.

Lease Obligations

There were no residual guaranteed payments, variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2025.

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2025:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Lease at June 30, 2025	Outstanding Balance per Lease Schedules at June 30, 2025
	(+)	(-)	(=)	
Leased Equipment	\$ 431,677	\$ 206,117	\$ 225,560	\$ 223,646
Total Assets Held Under Lease	\$ 431,677	\$ 206,117	\$ 225,560	\$ 223,646

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
C9070 & DMPCTRL	Xerox Corporation	\$ 20,290	5 years	Jul, 2021	Jul, 2026	\$ 4,050
Primelink 89100	Xerox Corporation	24,701	5 years	Jul, 2021	Jul, 2026	4,931
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	1,304
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	1,304
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	1,304
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	1,304
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	1,304
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jul, 2026	1,304
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jul, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
AltaLink C8145	Xerox Corporation	6,529	5 years	Jul, 2021	Jun, 2026	1,304
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink C7025	Xerox Corporation	5,011	5 years	Jul, 2021	Jun, 2026	1,000
Versalink B405	Xerox Corporation	2,877	5 years	Jul, 2021	Jun, 2026	616
Versalink B405	Xerox Corporation	2,877	5 years	Jul, 2021	Jun, 2026	616
Versalink B405	Xerox Corporation	2,877	5 years	Jul, 2021	Jun, 2026	616
Washers & Dryers Residence Halls	Southeastern Laundry Service	186,315	5 years	Jul 2024	Jun, 2029	151,052
Postage Machine	Pitney Bowes	37,788	5 years	Jul 2024	Jun, 2029	30,637
Total Leases		\$ 661,576				\$ 223,646

Below is the future commitments related to the outstanding lease obligations as of June 30, 2025:

	Principal	Interest
Year Ending June 30:		
2026	\$ 85,541	\$ 4,735
2027	44,787	3,454
2028	46,024	2,217
2029	47,294	947
Total Minimum Lease Payments	<u>\$ 223,646</u>	<u>\$ 11,353</u>

Subscription Obligations

The Gordon State College has no in outstanding subscription obligations.

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2025.

The following is a summary of the carrying values of intangible right-to-use assets held under SBITA at June 30, 2025:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2025	Outstanding Balance per Subscription Schedules at June 30, 2025
Subscription Based IT Arrangements (SBITAs)	\$ 257,008	\$ 249,868	\$ 7,140	—

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.

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 2025. Gordon State College's contractually required contribution rate for the year ended June 30, 2025 was 20.78% of Gordon State College's annual payroll. Gordon State College's contributions to TRS totaled \$1,991,574 for the year ended June 30, 2025.

General Information about the Employees' Retirement System

Plan description

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

Benefits provided

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

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual

compensation. The required contribution rate for the year ended June 30, 2025 was 29.20% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. Gordon State College's contributions to ERS totaled \$35,382 for the year ended June 30, 2025. 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, 2025, 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, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2023. An expected total pension liability as of June 30, 2024 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, 2024. At June 30, 2024, Gordon State College's TRS proportion was 0.059554%, which was an decrease of (0.007750)% from its proportion measured as of June 30, 2023. At June 30, 2024, Gordon State College's ERS proportion was 0.004079%, which was an decrease of (0.000101)% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, Gordon State College recognized pension expense of \$1,199,681 for TRS and \$32,963 for ERS. At June 30, 2025, 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	\$ 1,693,809	\$ 44,738	\$ 9,843	\$ —
Changes of assumptions	1,041,298	—	—	—
Net difference between projected and actual earnings on pension plan investments		2,086,955	—	20,682
Changes in proportion and differences between contributions and proportionate share of contributions	—	2,247,322	4,117	2,984
Contributions subsequent to the measurement date	1,991,574	—	35,382	—
Total	<u>\$ 4,726,681</u>	<u>\$ 4,379,015</u>	<u>\$ 49,342</u>	<u>\$ 23,666</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, 2026. 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
2026	\$ (730,155)	\$ (1,862)
2027	\$ 1,271,815	\$ 12,796
2028	\$ (1,336,346)	\$ (12,586)
2029	\$ (849,222)	\$ (8,054)
2030	\$ —	\$ —
Thereafter	\$ —	\$ —

Actuarial assumptions

The total pension liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.50%
Salary increases	3.00% - 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System

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

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

The actuarial assumptions used in the June 30, 2023 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 %	1.50 %	30.00 %	1.50 %
Domestic large equities	46.40 %	9.10 %	46.40 %	9.10 %
Domestic small equities	1.10 %	13.00 %	1.10 %	13.00 %
International developed market equities	13.60 %	9.10 %	13.60 %	9.10 %
International emerging market equities	3.90 %	11.10 %	3.90 %	11.10 %
Alternatives	5.00 %	10.60 %	5.00 %	10.60 %
Total	100.00 %		100.00 %	

* Rates shown are net of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 6.90% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College'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 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	\$ 25,764,070	\$ 14,968,666	\$ 6,156,311

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 276,662	\$ 183,631	\$ 105,392

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 trs.ga.com/publications and ers.ga.gov/financials, respectively.

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2025, 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 \$229,439 (9.24%) and \$148,986 (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 2025, 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, 2025.

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 2025, 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, 2025:

Active Employees	189
Retirees or Beneficiaries Receiving Benefits	102
Retirees Receiving Life Insurance Only	<u>32</u>
Total	<u><u>323</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 2025 plan year, the employer rate was approximately 82% of the total health insurance cost for eligible retirees and the retiree rate was approximately 18%. 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 2025, Gordon State College contributed \$392,171 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, 2025, 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, 2024. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2024. An expected total OPEB liability as of June 30, 2024 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, 2024. At June 30, 2024, Gordon State College’s proportion was 0.429270%, which was a decrease of (0.032267)% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, Gordon State College recognized OPEB expense of \$(2,094,822). At June 30, 2025, 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	\$ 315,051	\$ 65,980
Changes of assumptions	822,216	6,335,334
Net difference between projected and actual earnings on OPEB plan investments	29,393	—
Changes in proportion and differences between contributions and proportionate share of contributions	133,034	2,426,597
Contributions subsequent to the measurement date	<u>392,171</u>	<u>—</u>
Total	<u><u>\$ 1,691,865</u></u>	<u><u>\$ 8,827,911</u></u>

Gordon State College's contributions subsequent to the measurement date of \$392,171 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, 2026. 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:

2026	\$	(2,875,093)
2027	\$	(2,372,354)
2028	\$	(1,488,141)
2029	\$	(710,340)
2030	\$	(82,289)
Thereafter	\$	—

Actuarial assumptions

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of May 1, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2024 of 3.93% from Bond Buyers GO 20-Bond Municipal Bond Index; Discount Rate 3.96% Interest Rate as of 6/30/2023 of 3.65% from Bond Buyers GO 20-Bond Municipal Bond Index; Discount Rate 3.69% Long-term Rate of Return 6.02% General Inflation 2.30% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2021
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	8.7%
Medicare Eligible	2%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	2%
Year Ultimate Trend is Reached	Fiscal Year 2035 for Pre-Medicare Eligible, Fiscal Year 2024 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 five-year period ending May 1, 2023 with the exception of the disability and salary increases assumption. 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 claims experience.
- Trend rate schedule was updated to anticipated future experience.
- The discount rate was updated from 3.69% as of June 30, 2023 to 3.96% as of June 30, 2024.
- The Expected Return on Assets was changed from 5.40 to 6.02%.
- The following assumptions were updated based on the 2024 Demographic Assumptions Review (experience study):
 - Retirement rates
 - Withdrawal rates
 - Percentage of participants that elect spousal coverage upon retirement was updated for males from 55% to 50%
 - Percentage of participants electing coverage upon retirement was updated for post-65 employees from 85% to 80%

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, 2024 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	2.42 %	70 %
Equity Allocation	4.41 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2028 is \$0, based on the valuation completed for the fiscal year ending June 30, 2024. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2028. Therefore, the long-term expected rate of return on Plan investments of 6.02% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2024, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a single equivalent yield or index rate of 3.96% was used. This rate is comprised primarily of the yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher (3.93% 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 (2.96%) or 1% higher (4.96%) than the current discount rate (3.96%):

	1% Decrease 2.96%	Current Rate 3.96%	1% Increase 4.96%
Proportionate Share of the Net OPEB Liability	\$ 14,422,825	\$ 12,464,589	\$ 10,861,895

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	\$ 10,962,767	\$ 12,464,589	\$ 14,325,532
Pre-Medicare Eligible	7.7% decreasing to 3.5%	8.7% decreasing to 4.5%	9.7% decreasing to 5.5%
Medicare Eligible	1%	2%	3%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2025 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 7,176,092	\$ 1,032,694	\$ 1,430,283	\$ 2,638	\$ 25,412
Public Service	—	—	—	—	—
Academic Support	303,213	567,413	93,722	94,074	17,417
Student Services	—	1,315,208	245,168	—	27,379
Institutional Support	20,478	1,366,833	222,021	2,400	22,554
Plant Operations and Maintenance	—	1,440,200	280,684	—	8,163
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	—	475,325	78,836	599	5,468
Total Operating Expenses	<u>\$ 7,499,783</u>	<u>\$ 6,197,673</u>	<u>\$ 2,350,714</u>	<u>\$ 99,711</u>	<u>\$ 106,393</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ —	\$ 1,139	\$ 923,193	\$ 79,429	\$ 10,670,880
Public Service	—	—	1,000	—	1,000
Academic Support	—	622	898,994	107,869	2,083,324
Student Services	—	101,726	404,917	319,301	2,413,699
Institutional Support	—	5,444	938,109	589,923	3,167,762
Plant Operations and Maintenance	—	1,049,140	1,694,008	730,710	5,202,905
Scholarships and Fellowships	4,130,566	—	—	—	4,130,566
Auxiliary Enterprises	119,250	475,745	4,301,398	1,350,127	6,806,748
Total Operating Expenses	<u>\$ 4,249,816</u>	<u>\$ 1,633,816</u>	<u>\$ 9,161,619</u>	<u>\$ 3,177,359</u>	<u>\$ 34,476,884</u>

Note 19 Subsequent Event

As of June 30, 2025, 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 FISCAL YEARS**

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30,2025	\$ 35,382	\$ 35,382		\$ 120,920	29.26%
	June 30,2024	\$ 35,138	\$ 35,138	\$ —	\$ 119,323	29.45%
	June 30,2023	\$ 35,198	\$ 35,198	\$ —	\$ 114,744	30.68%
	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%
Teachers' Retirement System	June 30,2025	\$ 1,991,574	\$ 1,991,574		\$ 9,605,614	20.73%
	June 30,2024	\$ 1,855,215	\$ 1,855,215	\$ —	\$ 9,314,288	19.92%
	June 30,2023	\$ 1,946,484	\$ 1,946,484	\$ —	\$ 9,824,920	19.81%
	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%

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30,2025	0.004079%	\$ 183,631	\$ 119,323	153.89%	78.75%
	June 30,2024	0.004180%	\$ 249,362	\$ 114,744	217.32%	71.20%
	June 30,2023	0.003229%	\$ 215,648	\$ 79,047	272.81%	67.44%
	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%	76.2%
Teachers Retirement System	June 30,2025	0.059554%	\$ 14,968,666	\$ 9,314,288	160.71%	80.86%
	June 30,2024	0.067304%	\$ 19,871,032	\$ 9,824,920	202.25%	76.29%
	June 30,2023	0.068379%	\$ 22,203,983	\$ 9,245,731	240.15%	72.85%
	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%

**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, 2025**

Changes of assumptions

Employees' Retirement System:

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

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

Teachers Retirement System:

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases.

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

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

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

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

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2025	\$ 392,171	\$ 392,171	\$ —	\$ 12,421,074	3.16%
June 30, 2024	\$ 401,371	\$ 401,371	\$ —	\$ 12,308,481	3.26%
June 30, 2023	\$ 468,396	\$ 468,396	\$ —	\$ 12,534,968	3.74%
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 EIGHT FISCAL YEARS***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2025	0.429270%	\$ 12,464,589	\$ 12,308,481	101.27%	7.19%
June 30, 2024	0.461537%	\$ 14,664,634	\$ 12,534,968	116.99%	6.44%
June 30, 2023	0.477070%	\$ 18,898,279	\$ 12,804,480	147.59%	5.08%
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, 2025**

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual claims experience.
- Trend rate schedule was updated to anticipated future experience.
- The discount rate was updated from 3.69% as of June 30, 2023 to 3.96% as of June 30, 2024.
- The Expected Return on Assets was changed from 5.40 to 6.02%.
- The following assumptions were updated based on the 2024 Demographic Assumptions Review (experience study):
 - Retirement rates
 - Withdrawal rates
 - Percentage of participants that elect spousal coverage upon retirement was updated for males from 55% to 50%
 - Percentage of participants electing coverage upon retirement was updated for post-65 employees from 85% to 80%

Supplementary Information

**GORDON STATE COLLEGE
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30. 2025**

ASSETS

Cash and Cash Equivalents	\$ 3,913,233.54
Accounts Receivable	
Federal Financial Assistance	168,118.44
Other	2,655,887.32
Prepaid Expenditures	49,417.53
Other Assets	117,500.00
	<hr/>
Total Assets	6,904,156.83
	<hr/> <hr/>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	67,746.05
Encumbrance Payable	1,997,398.43
Accounts Payable	328,609.11
Deferred Revenue	439,652.18
Funds Held for Others	11,885.68
Other Liabilities	62,597.37
	<hr/>

Total Liabilities	2,907,888.82
	<hr/>

Fund Balances

Reserved	
Department Sales and Services	239,800.95
Indirect Cost Recoveries	112,789.13
Technology Fees	280,737.20
Restricted/Sponsored Funds	2,773,378.96
Uncollectible Accounts Receivable	329,033.56
Tuition Carry - Forward	217,518.57
Unreserved	
Surplus	43,009.64
	<hr/>

Total Fund Balances	3,996,268.01
	<hr/>

Total Liabilities and Fund Balances	\$ 6,904,156.83
	<hr/> <hr/>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, 2025

	Original Appropriation	Final Budget	Funds Available Compared to Budget	
			Current Year Revenues	Prior Year Reserve Carry-Over
Public Service/Special Funding Initiatives				
State Appropriation				
State General Funds	\$ —	\$ 150,000.00	\$ 150,000.00	\$ —
Teaching				
State Appropriation				
State General Funds	15,739,723.00	16,639,723.00	16,639,723.00	\$ —
Federal Funds				
Federal Funds Not Specifically Identified	8,674,543.00	9,834,357.00	9,444,184.50	—
Federal Funds Not Specifically Identified – COVID-19	—	—	—	—
Other Funds	8,255,680.00	10,922,112.00	10,488,642.95	3,453,773.51
Total Teaching	32,669,946.00	37,396,192.00	36,572,550.45	3,453,773.51
Total Operating Activity	\$ 32,669,946.00	\$ 37,546,192.00	\$ 36,722,550.45	\$ 3,453,773.51

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, 2025

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess of Funds
	Program Transfers	Total	Variance	Current Year	Variance	Available
	or Adjustments	Funds Available	Positive (Negative)	Actual	Positive (Negative)	Over/(Under) Expenditures
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds		\$ 150,000.00	\$ —	\$ 149,998.69	\$ 1.31	\$ 1.31
Total Public Service/Special Funding Initiatives	—	150,000.00	—	149,998.69	1.31	1.31
Teaching						
State Appropriation						
State General Funds		16,639,723.00	—	16,637,577.06	2,145.94	2,145.94
State Funds - Prior Year Carry-Over						
State General Fund Prior Year		—	—		—	—
Federal Funds						
Federal Funds Not Specifically Identified		9,444,184.50	(390,172.50)	9,444,184.50	390,172.50	—
Other Funds		13,942,416.46	3,020,304.46	10,250,035.66	672,076.34	3,692,380.80
Total Teaching	—	40,026,323.96	2,630,131.96	36,331,797.22	1,064,394.78	3,694,526.74
Total Operating Activity	\$ —	\$ 40,176,323.96	\$ 2,630,131.96	\$ 36,481,795.91	\$ 1,064,396.09	\$ 3,694,528.05

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, 2025**

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of June 30, 2024 Surplus	Prior Year Adjustments	Other Adjustments
Public Service/Special Funding Initiatives					
State Appropriation					
State General Funds	\$ —	\$ —	\$ —		
Teaching					
State Appropriation					
State General Funds	\$ 22,350.60	\$ —	\$ (22,350.60)	\$ 12,292.64	
Other Funds	3,473,607.75	(3,453,773.51)	(19,834.24)	(6,908.86)	(32,677.38)
Total Teaching	<u>3,495,958.35</u>	<u>(3,453,773.51)</u>	<u>(42,184.84)</u>	<u>5,383.78</u>	<u>(32,677.38)</u>
Total Operating Activity	3,495,958.35	(3,453,773.51)	(42,184.84)	5,383.78	(32,677.38)
Prior Year Reserve					
Not Available for Expenditure					
Uncollectible Accounts Receivable	296,356.18	—	—	—	32,677.38
Budget Unit Totals	<u>\$ 3,792,314.53</u>	<u>\$ (3,453,773.51)</u>	<u>\$ (42,184.84)</u>	<u>\$ 5,383.78</u>	<u>\$ —</u>

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

**GORDON STATE COLLEGE
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Early Return of June 30, 2025 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Public Service/Special Funding Initiatives						
State Appropriation						
State General Funds	\$ —	\$ 1.31	\$ 1.31		1.31	\$ 1.31
Teaching						
State Appropriation						
State General Funds	\$ —	\$ 2,145.94	14,438.58		\$ 14,438.58	\$ 14,438.58
Other Funds	—	3,692,380.80	3,652,794.56	3,624,224.81	28,569.75	3,652,794.56
Total Teaching	—	3,694,526.74	3,667,233.14	3,624,224.81	43,008.33	3,667,233.14
Total Operating Activity	—	3,694,528.05	3,667,234.45	3,624,224.81	43,009.64	3,667,234.45
Prior Year Reserve						
Not Available for Expenditure						
Uncollectible Accounts Receivable	—	—	329,033.56	329,033.56	—	329,033.56
Budget Unit Totals	\$ —	\$ 3,694,528.05	\$ 3,996,268.01	\$ 3,953,258.37	\$ 43,009.64	\$ 3,996,268.01

Summary of Ending Fund Balance			
Reserved			
Property Reserves	\$	—	—
Department Sales and Services	\$	239,800.95	239,800.95
Indirect Cost Recoveries	\$	112,789.13	112,789.13
Technology Fees	\$	280,737.20	280,737.20
Restricted/Sponsored Funds	\$	2,773,378.96	2,773,378.96
Uncollectible Accounts Receivable	\$	329,033.56	329,033.56
Tuition Carry - Forward	\$	217,518.57	217,518.57
Unreserved, Undesignated			
Surplus		—	\$ 43,009.64
Total Ending Fund Balance - June 30	\$	3,953,258.37	\$ 43,009.64
			\$ 3,996,268.01

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

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