GEORGIA COLLEGE & STATE UNIVERSITY

Milledgeville, Georgia

Annual Financial Report
Fiscal Year 2023

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GEORGIA COLLEGE & STATE UNIVERSITY
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Introductory Section

GEORGIA COLLEGE & STATE UNIVERSITY

GEORGIA COLLEGE
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Letter of Transmittal

August 1, 2023

To: President Cathy Cox
Georgia College & State University

The Annual Financial Report (AFR) for Georgia College & State University includes the financial statements for the year ended June 30, 2023, as well as other useful information to help ensure the University's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the University's financial position as a result of operations for the fiscal year ended June 30, 2023.

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

The University's financial records are either reviewed by the State of Georgia Department of Audits and Accounts (DOAA) or the University System of Georgia financial professionals on an annual basis. An audit of the institutional financial assistance programs is performed periodically by the DOAA in conjunction with the statewide single audit.

Sincerely,

Lee Fruitticher
Vice President
Finance & Administration

Financial Section

DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Regents of the
University System of Georgia
and
Ms. Cathy Cox, JD
Georgia College and State University

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary funds of Georgia College and State University, as of and for the year ended June 30, 2023, and the related notes (financial statements), as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

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

Required Supplementary Information

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

Other Matters

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

This review report contains information pertinent to the Georgia College and State University'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, 2023. Additionally, we performed procedures on Georgia College and State University's Federal Student Aid programs for the year ended June 30, 2023, to meet the requirements of COC Standard 13.6. Included in a separate Report on Review and Federal Compliance Procedures dated September 8, 2023 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 Georgia College and State University 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, 2023.

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

Respectfully submitted,

Greg S. Griffin
State Auditor

September 8, 2023

REPORT ON REVIEW AND FEDERAL COMPLIANCE PROCEDURES • FISCAL YEAR 2023

Georgia College and State University

Milledgeville, Georgia

Greg S. Griffin | State Auditor

DOAA
Georgia Department
of Audits & Accounts

REVIEW SUMMARY

We have reviewed the financial statements of the business-type activities and the fiduciary funds of Georgia College and State University, as of and for the year ended June 30, 2023, and issued our report thereon, dated September 8, 2023. We conducted our review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Our Independent Accountant's Review Report, included in the Georgia College and State University's Consolidated Annual Financial Report, is available on the Georgia Department of Audits and Accounts' website at www.audits.ga.gov/ and on the Georgia College and State University's website at www.gcsu.edu.

We have performed the procedures on compliance with federal student financial assistance regulations reflected within the 2023 OMB Compliance Supplement for the year ended June 30, 2023. Georgia College and State University is responsible for complying with federal student financial assistance regulations reflected within the 2023 OMB Compliance Supplement. Georgia College and State University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance with federal student financial assistance regulations as reflected in the 2023 OMB Compliance Supplement and meeting the requirements of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) as reflected in the SACSCOC Principles of Accreditation, Section 13.6 for the year ended June 30, 2023.

Our procedures on compliance with federal student financial assistance regulations found no deficiencies in internal control over compliance findings and no instances of noncompliance or other matters applicable to the Georgia College and State University that are required to be reported in accordance with Title 2 CFR 200.516(a).

Our review of the University found:

- we are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America;
- no financial reporting findings that require management's attention; and
- no federal reporting findings that require management's attention.

GEORGIA COLLEGE & STATE UNIVERSITY
Management's Discussion and Analysis (MD&A)

Introduction

Georgia College & State University (University) is one of the 26 institutions of higher education of the University System of Georgia (USG). The University, located in Milledgeville, Georgia, was founded in 1889 as Georgia Normal & Industrial College. It later became Georgia State College for Women (GSCW). In 1969 it became Georgia College and was re-established as a co-educational institution. In 1995 the Board of Regents of the University System of Georgia granted Georgia College university status, a new mission, and a new name, "Georgia College & State University."

As the State's designated public liberal arts university, Georgia College & State University is committed to combining the educational experiences typical of esteemed private liberal arts colleges with the affordability of public higher education. Georgia College & State University is a residential learning community that emphasizes undergraduate education and also offers selected graduate programs and now offers two doctoral programs: Doctor of Nursing Practice (DNP) and Doctor of Education in Curriculum and Instruction. The faculty is dedicated to challenging students and fostering excellence in the classroom and beyond. Georgia College & State University seeks to endow its graduates with a passion for achievement, a lifelong curiosity, and exuberance for living. With a capped-enrollment goal, the University continues to manage the minimal enrollment growth each year. Comparison enrollment numbers are presented below.

	STUDENT HEADCOUNT	STUDENT FTE
FY 2023	6,315	5,893
FY 2022	6,763	6,259
FY 2021	6,873	6,404

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for the fiscal year 2023. The emphasis of discussions about these statements will be on current year data. Three Business Type Activities financial statement are 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 University's financial statements provides an overview of its financial activities for the year. Comparative data is provided for the fiscal year 2023 and fiscal year 2022. The financial statements for the fiscal year 2023 contain a restatement of July 1, 2022, net position balance for GASB 94 & GASB 96; however, the net effect is zero; please see Note 1 for further information.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2023, and includes all assets, liabilities, deferred outflow, and inflow of resources both current and non-current. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting, which requires revenue and asset recognition when the service is provided and expense and liability recognition when goods or services are received despite when cash is actually exchanged.

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

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

The final category is unrestricted. Unrestricted resources are available to the University for any lawful purpose.

The following table summarizes the Statement of Net Position

CONDENSED STATEMENT OF NET POSITION	June 30, 2023	June 30, 2022	Increase/ (Decrease)
ASSETS			
Current Assets	$ 37,846,258	$ 35,633,412	$ 2,212,846
Capital Assets, Net	193,237,231	196,643,249	(3,406,018)
Intangible Right-to-Use Assets, Net	1,029,098	1,237,154	(208,056)
Other Assets	17,242,809	16,306,202	936,607
TOTAL ASSETS	$ 249,355,396	$ 249,820,017	$ (464,621)
DEFERRED OUTFLOWS	$ 58,714,936	$ 39,505,753	$ 19,209,183
LIABILITIES			
Current Liabilities	$ 17,669,308	$ 18,708,988	$ (1,039,680)
Non-Current Liabilities	257,817,744	223,539,588	34,278,156
TOTAL LIABILITIES	$ 275,487,052	$ 242,248,576	$ 33,238,476
DEFERRED INFLOWS	$ 41,040,085	$ 57,651,705	$ (16,611,620)
NET POSITION			
Net Investment in Capital Assets	$ 97,006,946	$ 94,699,631	$ 2,307,315
Restricted, Non-Expendable	6,896,008	6,630,283	265,725
Restricted, Expendable	537,106	514,552	22,554
Unrestricted	(112,896,865)	(112,418,977)	(477,888)
TOTAL NET POSITION	$ (8,456,805)	$ (10,574,511)	$ 2,117,706

The amounts reported for Fiscal Year 2022 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes of the Financial Statement for more information regarding the restatement. Total assets decreased by $(464,621) primarily due to a decrease in net capital assets of $(3,406,018), and an increase in Current Assets $2,212,846, and other assets of $936,607. The decline in Capital Assets, Net is due to an increase in depreciation for building & building improvements and the reduction in intangible Right-to-Use Assets is due to an early termination of a lease. Other Assets increase of $936,607 is due to the market gains on investment in FY2023, and in FY2022, we incurred a loss.

Total deferred outflows of resources increased by $19,209,183 which was primarily due to the University's proportionate share of the actuarially determined deferred loss on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia and also the University's proportionate share of the Other Post Employment Benefits Liability. The changes in TRS pensions primarily resulted from the changes in the long-term rate assumption from 7.25% to 6.90% along with the difference expected and actual earning on investment.

Total liabilities increased $33,238,476 which was due to a decrease in current liabilities of $(1,039,680) and an increase in non-current liabilities of $34,278,156. The decrease in current liabilities is primarily due to a decrease in Contracts payable of $(777,373) due to the timing work and invoice timing. The increase in non-current liabilities Net pension liability increase of $60,846,331 related to the University's proportionate share of the actuarially determined liability for defined benefit plans administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia. The change is due to the long-term rate of return change and payroll growth assumption change for TRS. For ERS, the change is due to the changes in the difference between expected and actual earnings on the invoice due to economic depreciation on investments resulting in a decrease in the plan's fiduciary net position. Other Post Employment Benefits Liability decreased by $(20,428,712) due to an increase in the discount rate increasing from 2.18% to 3.54%.

Total deferred inflows of resources decreased by $(16,611,620) which was primarily due to the University's proportionate share of the actuarially determined deferred gain on defined benefit pension plan administered by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia and the effects of GASB Statement No. 75 for other post-employment benefit (OPEB) liability for the Board of Regents Retiree Health Benefit Plan. There is an increase of $3,549,433 resulting from the adoption of GASB 94.

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 $2,117,706. The increase is due to an increase in Net Investment in Capital Assets resulting from an early termination of Lease and our Contracts Payable was less due to timing of the work being completed and invoices received, and due to a decrease in Notes & Loans liabilities resulting from current year payments.

When Unrestricted Net Position is viewed without the effects of GASB Statements 67, 68, 73 and 82, the ending balance at June 30,2022 was $28,730,951 and $29,409,847 as of June 30,2023, resulting in a net increase of $678,896 for fiscal year 2023. The Univeristy continues to operate effectively within budgetary parameters and constraints, and will maintain a conservative approach to spending and increase efficiencies.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains and, losses received or spent by the University. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues.

The following table summarized the Statement of Revenues, Expenses and Changes in Net Position:

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		June 30, 2023		June 30, 2022		Increase/ (Decrease)
Operating Revenue	$	80,845,341	$	88,871,102	$	(8,025,761)
Operating Expense		146,578,513		138,983,082		7,595,431
Operating Income/Loss	$	(65,733,172)	$	(50,111,980)	$	(15,621,192)
Non-Operating Revenue and Expense	$	65,377,757	$	58,774,525	$	6,603,232
Income (Loss) before Other Revenues, Expenses, Gains, or Losses	$	(355,415)	$	8,662,545	$	(9,017,960)
Other Revenues, Expenses, Gains, Losses and Special Items	$	2,473,121	$	20,556,253	$	(18,083,132)
Change in Net Position	$	2,117,706	$	29,218,798	$	(27,101,092)
Net Position at beginning of year	$	(10,574,511)	$	(39,793,309)	$	29,218,798
Net Position at End of Year	$	(8,456,805)	$	(10,574,511)	$	2,117,706

The amounts reported for Fiscal Year 2022 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes of the Financial Statement for more information regarding the restatement.

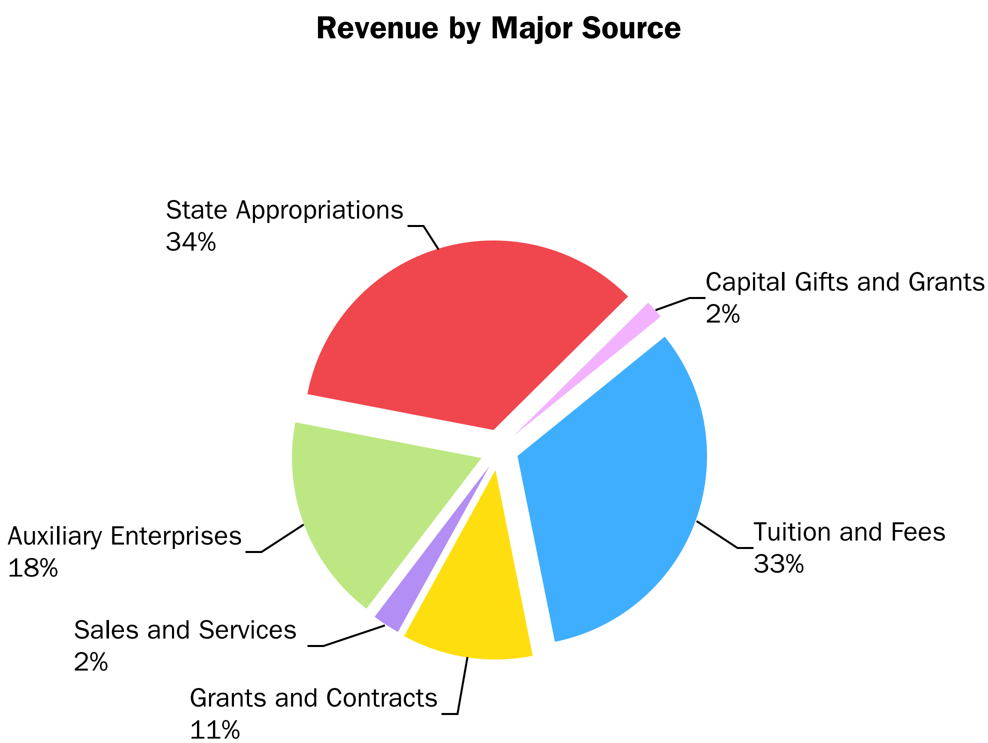
Revenue

For the years ended June 30, 2023 and June 30, 2022, revenues by source were as follows:

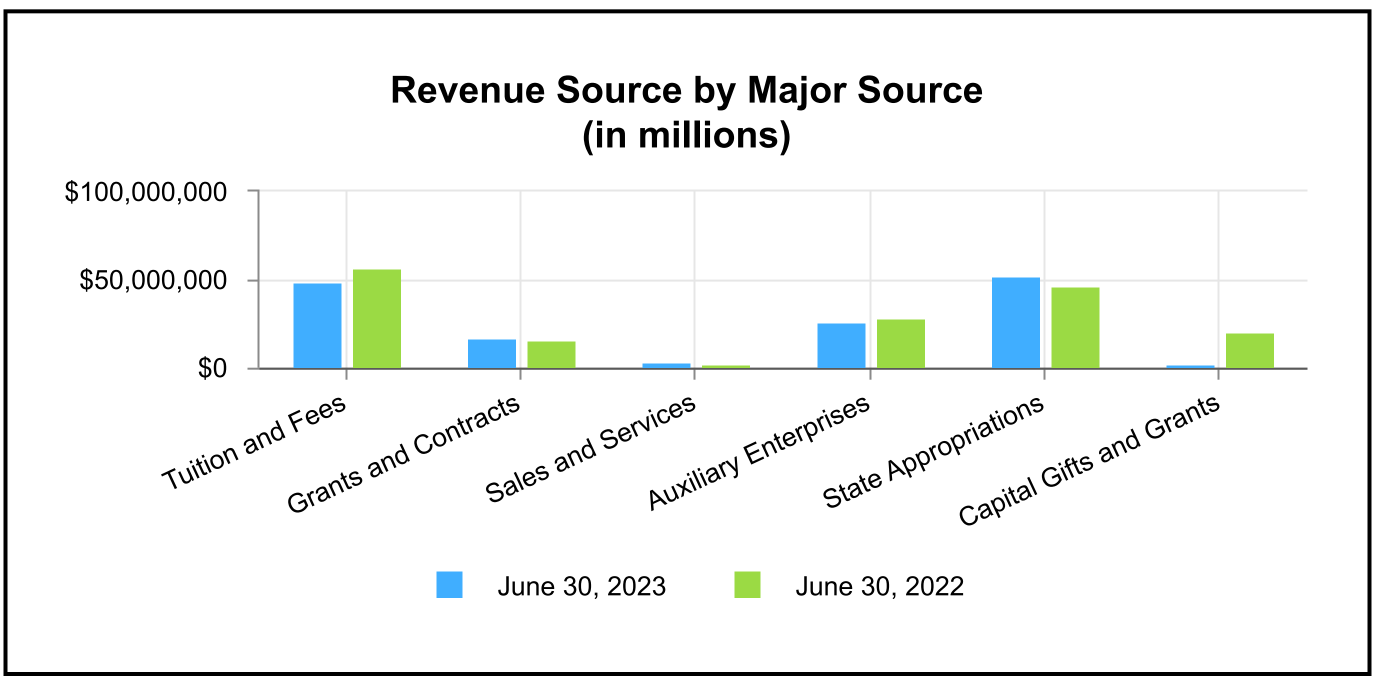
REVENUES BY SOURCE	June 30, 2023	June 30, 2022	Increase/ (Decrease)
Tuition and Fees	$ 49,411,926	$ 56,852,662	$ (7,440,736)
Grants and Contracts	440,144	585,474	(145,330)
Sales and Services	3,558,510	2,719,918	838,592
Auxiliary Enterprises	26,680,558	28,142,789	$(1,462,231.00)
Other Operating Revenues	754,203	570,259	183,944
Total Operating Revenues	$ 80,845,341	$ 88,871,102	$ (8,025,761)
State Appropriations	$ 52,214,114	$ 46,356,550	$ 5,857,564
Grants and Contracts	13,248,713	16,312,516	(3,063,803)
Gifts	1,405,740	1,482,179	$ (76,439)
Investment Income (Loss)	2,054,548	(1,555,667)	3,610,215
Other Nonoperating Revenues	(6,860)	(69,864)	63,004
Total Nonoperating Revenues	$ 68,916,255	$ 62,525,714	$ 6,390,541
State Capital Gifts and Grants	$ 1,926,328	$ 20,450,028	$ (18,523,700)
Other Capital Gifts and Grants	478,598	59,135	419,463
Total Capital Gifts and Grants	$ 2,404,926	$ 20,509,163	$ (18,104,237)
Additions to Permanent and Term Endowments	68,195	47,090	21,105
Total Revenues	$ 152,234,717	$ 171,953,069	$ (19,718,352)

The amounts reported for Fiscal Year 2022 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes of the Financial Statement for more information regarding the restatement. For the fiscal year 2023, there was a decline in enrollment that mirrored the Fall of 2020, which resulted from the Board of Regents' requirement for GCSU to return to the practice of requiring standardized test scores for admission. The result was a decrease in Tuition and Fees of $(7,440,736). The most significant decrease is due to the GSFIC turnover of the Integrated Science Building in fiscal year 2022, which caused a reduction in State Capital Gifts and Grants of $(18,104,237).

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



Revenue by major source for the years ended June 30, 2023 and June 30, 2022 is depicted by the following chart:



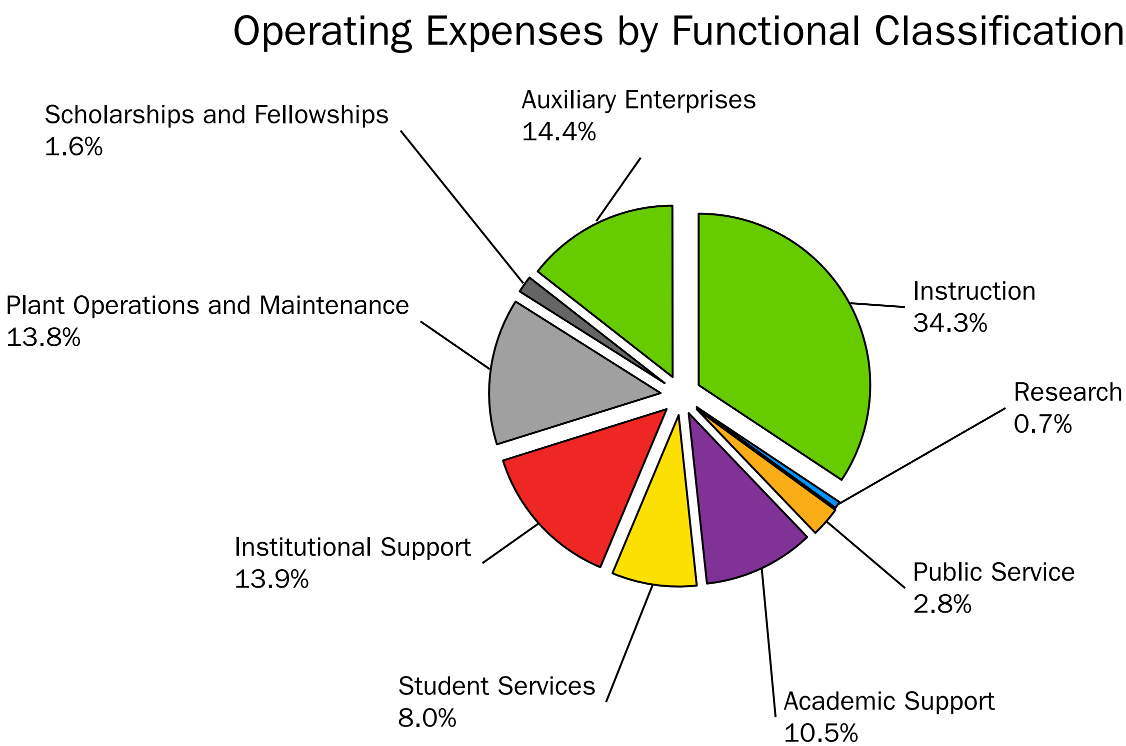
Expenses

For the years ended June 30, 2023 and June 30, 2022, expenses by functional classification were as follows:

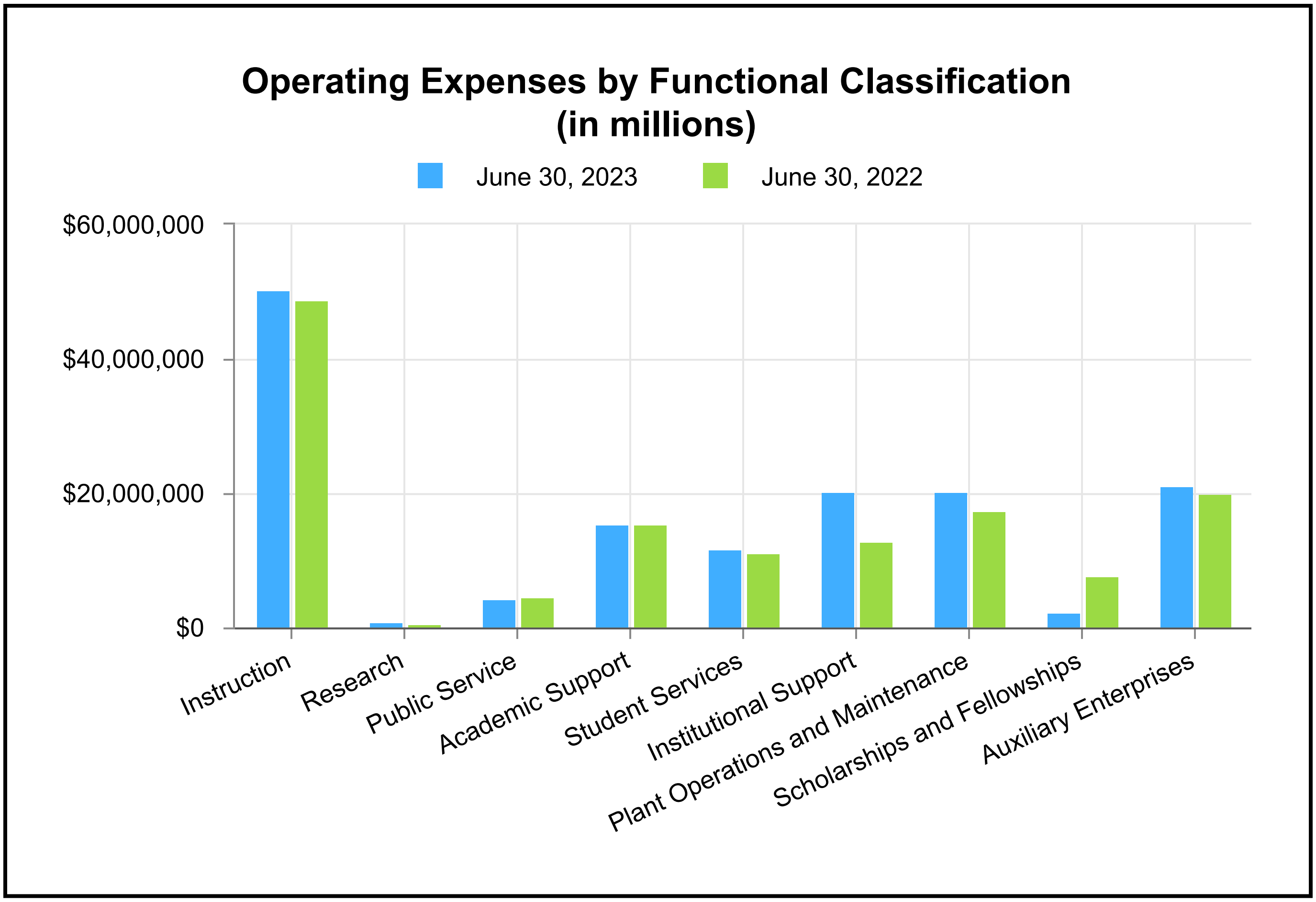
EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2023	June 30, 2022	Increase/ (Decrease)
Instruction	$ 50,334,574	$ 48,970,005	$ 1,364,569
Research	974,920	650,100	324,820
Public Service	4,178,381	4,593,652	(415,271)
Academic Support	15,322,118	15,420,221	(98,103)
Student Services	11,737,017	11,000,119	736,898
Institutional Support	20,306,129	12,995,897	7,310,232
Plant Operations and Maintenance	20,236,251	17,451,932	2,784,319
Scholarships and Fellowships	2,339,042	7,766,162	(5,427,120)
Auxiliary Enterprises	21,150,081	20,134,994	1,015,087
Total Operating Expenses	$ 146,578,513	$ 138,983,082	$ 7,595,431
Interest Expense	3,538,498	3,751,189	(212,691)
Total Nonoperating Expenses	$ 3,538,498	$ 3,751,189	(212,691)
Total Expenses	$ 150,117,011	$ 142,734,271	$ 7,382,740

The amounts reported for Fiscal Year 2022 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes of the Financial Statement for more information regarding the restatement. Total operating expense increased $7,595,431 due to a $10,639,366 increase in pension expense and a $(4,853,632) decrease in OPEB expenses. The TRS change was the primary factor and this was due to the change in long-term rate assumption from 7.25% to 6.90% along with the difference expected and actual earnings on investment. For OPEB expense the decreased was due to the discount rate change from 2.18% to 3.54%.

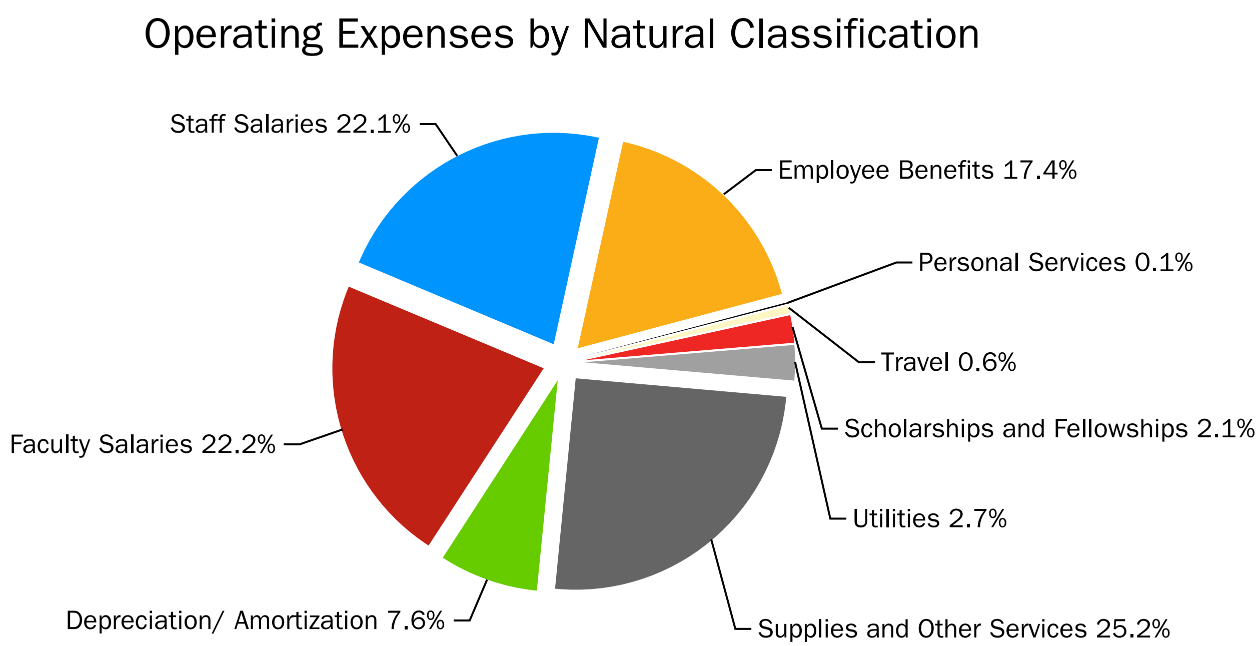
The following chart depicts the fiscal 2023 operating expenses by functional classification.



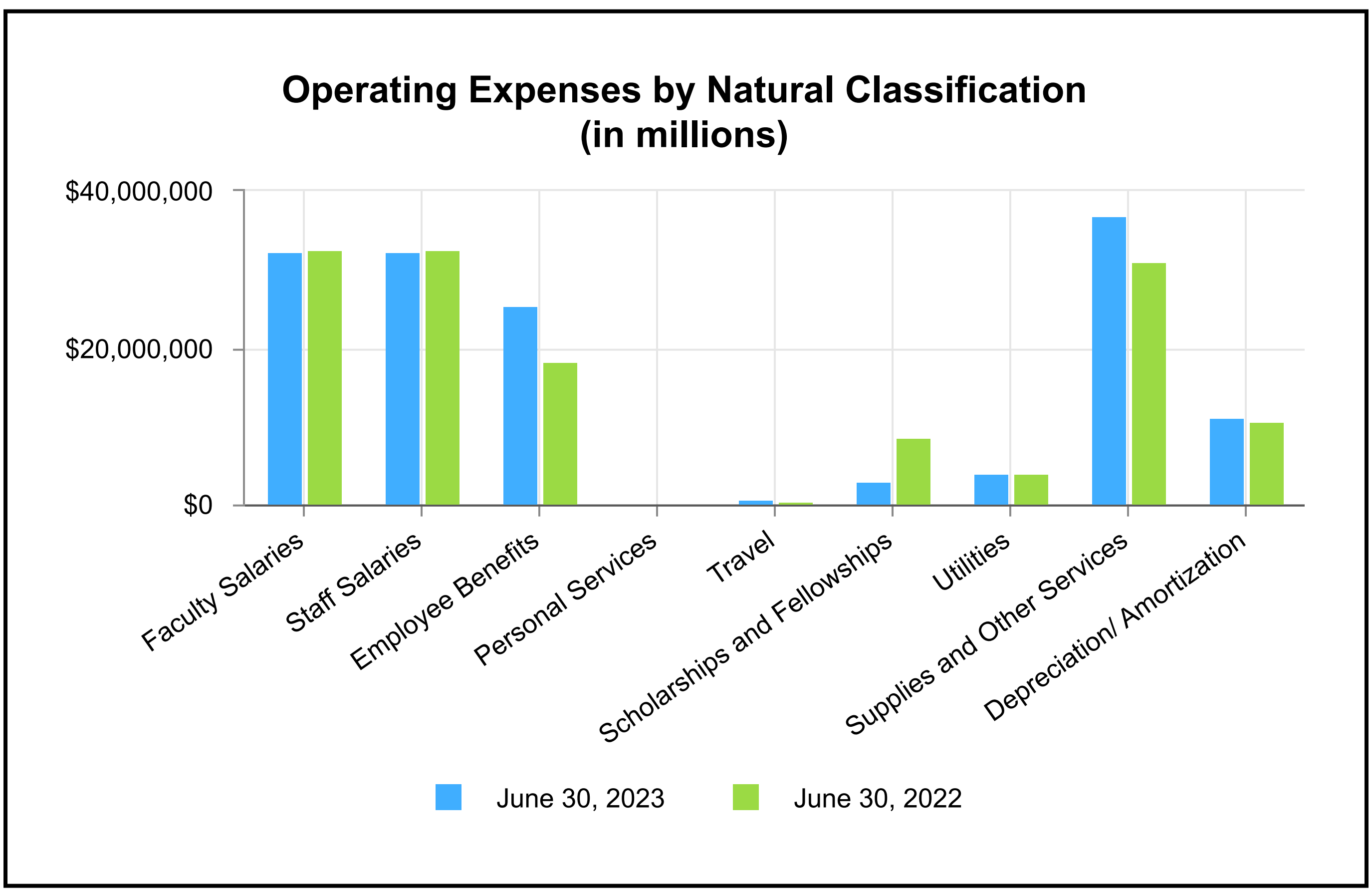
Operating expenses by functional classification for the years ended June 30, 2023 and June 30, 2022 is depicted by the following chart:



The following chart depicts the fiscal 2023 operating expenses by natural classification.



Operating expenses by natural classification for the years ended June 30, 2023 and June 30, 2022 are depicted by the following chart:



Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the University during the year and is divided into five sections. The first section is concerned with operating cash flows and reflects the net cash used by the various operating activities of the University. 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, 2023 and 2022, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2023	June 30, 2022
Cash Provided (Used) by:		
Operating Activities	$ (57,726,481)	$ (43,331,035)
Non-Capital Financing Activities	67,992,865	66,046,962
Capital and Related Financing Activities	(14,731,262)	(13,866,724)
Investing Activities	971,650	(4,988,049)
NET CHANGE IN CASH	$ (3,493,228)	$ 3,861,154
Cash, beginning of year	31,715,130	27,853,976
CASH, end of year	$ 28,221,902	$ 31,715,130

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2023 and June 30, 2022 were as follows:

CAPITAL ASSETS, net of accumulated depreciation and amortization	June 30, 2023	June 30, 2022	Increase (Decrease)
Land	$ 2,726,317	$ 2,268,617	$ 457,700
Capitalized Collections	370,134	347,681	22,453
Construction Work-in-Progress	6,721,753	4,445,801	2,275,952
Building and Building Improvements	166,789,964	174,479,169	(7,689,205)
Facilities and Other Improvements	7,332,771	6,491,450	841,321
Equipment	8,033,251	7,050,122	983,129
Library Collections	1,244,951	1,541,673	(296,722)
Capitalized Collections	18,090	18,736	(646)
Capital Assets, net of accumulated depreciation and amortization	$ 193,237,231	$ 196,643,249	$ (3,406,018)

The University capital assets decreased by $(3,406,018), which was due to depreciation of building and building improvements. Construction Work-in-Progress increase is due to the construction of the Andalusia Interpretive Center and the Renovation of MSU Building which are scheduled to be completed in FY2024.

Intangible Right-To-Use Assets
Intangible Right-To-Use assets, net of amortization, at June 30,2023 and June 30,2022 were as follows:

INTANGIBLE RIGHT-TO-USE ASSETS, net of accumulated amortization	June 30, 2023	June 30, 2022	Increase (Decrease)
Building and Building Improvements	$ 682,624	$ 1,059,104	$ (376,480)
Facilities and Other Improvements	135,950	178,050	(42,100)
Equipment	(101)	—	(101)
Subscription Based IT Arrangements (SBITAs)	210,625	—	210,625
Intangible Right-to-Use Assets, net of accumulated amortization	$ 1,029,098	$ 1,237,154	$ (208,056)

The amounts reported for Fiscal Year 2022 were not adjusted for the restatement of beginning net position. See Note 1 in the Notes of the Financial Statement for more information regarding the restatement. The overall decrease in Intangible Right-to-Use assets is due to an early cancellation of the 120 North Clarke Street Property lease. For additional information concerning Capital Assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

Long Term Liabilities
Georgia College & State University had Long-Term Liabilities of $103,497,625 of which $8,508,208 was reflected as a current liability at June 30, 2023. For additional information concerning Long-Term Liabilities, see Note 8 in the Notes to the Financial Statements.

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

Economic Outlook

Georgia College & State University, like many of its sister institutions, experienced a first-year student enrollment decline in Fall of 2020 due to the effects of Covid-19. As the pandemic set in and enrollment immediately declined in the University's mostly in-person degree programs, the SAT/ACT test-optional admissions policy implemented for applicants that fall produced a record-setting class of 1,502 in the Fall of 2021. However, in March of 2022, when the Board of Regents required the University to return to the practice of requiring standardized test scores for admission, the University lost ground. This resulted in a first-year class of 1,364 for the Fall of 2022 that mirrored the Fall of 2020 enrollment. Despite this the University saw an increase in retention this year and the four-year graduation rate hit an all-time high (53%), third highest in the USG. Additionally, the Board of Regents has waived the SAT/ACT requirement for admission to the University for Fall of 2023 and both applications and completed applications for this coming fall are surging. These factors suggest that the university is well positioned to immediately bounce back from the pandemic and from the SAT/ACT impacts, and can effectively support students in meeting their personal and professional goals going forward.

Often when institutions experience enrollment declines, quick turnarounds are not possible because systemic problems that led to the decline are not easily remedied. Such is not the case with the University's short-term declines. As the University looks to the Fall of 2023, the strong interest expressed by prospective students and families in the distinctive education the University provides is evident. As of June 2023, trends in total applications, completed applications, housing deposits and overall enrollment point toward a record breaking freshmen class that is likely to exceed 1,800 students. This record class is due primarily to the laser focused recruitment efforts as well as being designated as test optional by the USG for the current recruiting cycle.

The University recognizes the importance of being intentionally focused on growing and maintaining enrollment at both the undergraduate and graduate levels. This, coupled with the realignment of existing resources and cost containment where possible, will help bring stability to the financial health of the institution. However, the University's current financial condition is not because of structural challenges or inherent limitations in delivering an exceptional educational experience. Rather, it has been because of two short-term external factors beyond the control of the university, namely (1) the negative effects of the pandemic, and (2) the placement of the University in the test-required admissions category during the past recruiting cycle. Both had negative effects on the University's ability to admit and enroll students in two admissions periods; however, coming out of the pandemic and operating under a waiver of the standardized test requirement the University is already experiencing a rebound in interest and enrollment. Senior leadership is confident that the University's financial base has been stabilized and has the financial resources to support the mission of the institution and the scope of its programs and services.

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Financial Statements
(GAAP Basis)

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF NET POSITION
JUNE 30, 2023

		Georgia College & State University
ASSETS		
Current Assets		
Cash and Cash Equivalents	$	27,537,779
Cash and Cash Equivalents (Externally Restricted)		518,131
Federal Financial Assistance		4,074,419
Affiliated Organizations		50,941
Other		4,464,129
Inventories		40,991
Prepaid Items		1,159,868
Total Current Assets	$	37,846,258
Non-Current Assets		
Due From USO - Capital Liability Reserve Fund		821,043
Investments		9,506,783
Notes Receivable, net		4,862
Non-current Cash (Externally Restricted)		165,992
Investments (Externally Restricted)		6,744,129
Intangible Right-to-Use Assets, net		1,029,098
Capital Assets, net		193,237,231
Total Non-Current Assets	$	211,509,138
TOTAL ASSETS	$	249,355,396
DEFERRED OUTFLOWS OF RESOURCES	$	58,714,936

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

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF NET POSITION 2023

		Georgia College & State University
LIABILITIES		
Current Liabilities		
Accounts Payable	$	4,356,319
Salaries Payable		188,513
Benefits Payable		259,485
Contracts Payable		631,497
Retainage Payable		224,729
Due to Affiliated Organizations		50
Advances (Including Tuition and Fees)		2,285,408
Deposits		375,600
Deposits Held for Other Organizations		4,320
Other Liabilities		835,179
Subscription Obligations		115,058
Notes and Loans Payable - External		5,751,991
Lease Obligations - External		194,387
Compensated Absences		2,446,772
Total Current Liabilities	$	17,669,308
Non-Current Liabilities		
Subscription Obligations		126,999
Notes and Loans Payable - External		93,430,410
Lease Obligations - External		625,335
Compensated Absences		806,673
Net Other Post Employment Benefits Liability		77,188,340
Net Pension Liability		85,639,987
Total Non-Current Liabilities	$	257,817,744
TOTAL LIABILITIES	$	275,487,052
DEFERRED INFLOWS OF RESOURCES	$	41,040,085
NET POSITION		
Net Investment in Capital Assets	$	97,006,946
Restricted for:		
Nonexpendable		6,896,008
Expendable		537,106
Unrestricted (Deficit)		(112,896,865)
TOTAL NET POSITION	$	(8,456,805)

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

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Georgia College & State University
OPERATING REVENUES	
Student Tuition and Fees (net)	$ 49,411,926
Grants and Contracts	
Federal	384,519
State	14,832
Other	40,793
Sales and Services	3,558,510
Rents and Royalties	121,792
Auxiliary Enterprises	
Residence Halls	15,512,542
Bookstore	534,945
Food Services	6,797,500
Parking/Transportation	1,543,841
Intercollegiate Athletics	2,042,576
Other Organizations	249,154
Other Operating Revenues	632,411
Total Operating Revenues	$ 80,845,341
OPERATING EXPENSES	
Faculty Salaries	$ 32,469,359
Staff Salaries	32,439,608
Employee Benefits	25,553,741
Other Personal Services	167,948
Travel	835,944
Scholarships and Fellowships	3,104,128
Utilities	3,981,173
Supplies and Other Services	36,908,652
Depreciation and Amortization	11,117,960
Total Operating Expenses	$ 146,578,513
Operating Income (Loss)	$ (65,733,172)

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

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Georgia College & State University
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	$ 52,214,114
Grants and Contracts	
Federal	11,004,989
State	161,067
Other	2,082,657
Gifts	1,405,740
Investment Income (Loss)	2,054,548
Interest Expense	(3,538,498)
Other Nonoperating Revenues (Expenses)	(6,860)
Net Nonoperating Revenues	$ 65,377,757
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	$ (355,415)
Capital Grants and Gifts	
State	1,926,328
Other	478,598
Additions to Permanent and Term Endowments	68,195
Total Other Revenues, Expenses, Gains or Losses	$ 2,473,121
Change in Net Position	$ 2,117,706
Net Position, Beginning of Year, As Originally Reported	(10,574,511)
Prior Year Adjustments	—
Net Position, Beginning of Year, Restated	$ (10,574,511)
Net Position, End of Year	$ (8,456,805)

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

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2023

		Georgia College & State University
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments from Customers	$	77,242,847
Grants and Contracts (Exchange)		429,747
Payments to Suppliers		(66,121,815)
Payments to Employees		(66,172,980)
Payments for Scholarships and Fellowships		(3,104,128)
Loans Issued to Students		(12,907)
Collection of Loans from Students		11,004
Other Receipts		1,751
Net Cash Used by Operating Activities	$	(57,726,481)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State Appropriations	$	52,214,114
Gifts and Grants Received for Other Than Capital Purposes		16,083,355
Other Non-Capital Financing Payments		(304,604)
Net Cash Flows Provided by Non-Capital Financing Activities	$	67,992,865
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Gifts and Grants Received	$	1,735,413
Purchases of Capital and Intangible Right-to-Use Assets		(7,540,906)
Principal Paid on Capital Debt and Leases		(5,495,419)
Interest Paid on Capital Debt and Leases		(3,430,350)
Net Cash Used by Capital and Related Financing Activities	$	(14,731,262)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Gain		1,098,307
Purchase of Investments		(126,657)
Net Cash Provided by Investing Activities	$	971,650
Net Decrease in Cash and Cash Equivalents	$	(3,493,228)
Cash and Cash Equivalents, Beginning of Year		31,715,130
Cash and Cash Equivalents, End of Year	$	28,221,902

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

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2023

		Georgia College & State University
RECONCILIATION OF OPERATING LOSS TO		
NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	$	(65,733,172)
Adjustments to Reconcile Net Operating Loss to		
Net Cash Used by Operating Activities		
Depreciation and Amortization	$	11,117,960
Operating Expenses Related to Noncash Gifts	$	900
Change in Assets and Liabilities:		
Receivables, net	$	(3,249,865)
Inventories	$	128
Prepaid Items	$	20,408
Notes Receivable, Net	$	(1,903)
Accounts Payable	$	(556,839)
Salaries Payable	$	(392,907)
Benefits Payable	$	23,127
Contracts Payable	$	(44,911)
Retainage Payable	$	(56,060)
Deposits	$	49,600
Advances (Including Tuition and Fees)	$	98,959
Other Liabilities	$	114,795
Funds Held for Others	$	1,113
Compensated Absences	$	(53,949)
Due to Affiliated Organizations	$	(3,100)
Net Pension Liability	$	60,846,331
Other Post-Employment Benefit Liability	$	(20,428,712)
Change in Deferred Inflows/Outflows of Resources:		
Deferred Inflows of Resources	$	(19,930,897)
Deferred Outflows of Resources	$	(19,547,487)
Net Cash Used by Operating Activities	$	(57,726,481)
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Noncapital Gifts	$	900
Amortization of Non-capital Financing Activities Advances and Deferred Inflows	$	(33,693)
Gift of Capital Assets	$	503,958
Gain (Loss) on Disposal of Capital Assets	$	(440,066)
Accrual of Capital Asset Related Payables	$	830,213
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	$	197,366
Early Extinguishment of Capital Debt	$	433,205
Amortization of Deferred Gain (Loss) of Capital Debt Refunded	$	(108,148)
Unrealized Gain (Loss) on Investments	$	956,241

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

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023

	Custodial Funds
ASSETS	
Other	$ 2,444,400
Total Assets	2,444,400
LIABILITIES	
Cash Overdraft	$ 1,916,912
Deposits held for other organizations	197
Total Liabilities	1,917,109
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	$ 527,291

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2023

		Custodial Funds
ADDITIONS		
Federal Financial Aid	$	24,459,114
State Financial Aid		27,842,449
Other Financial Aid		3,210,459
Clubs and Other Organizations Fund Raising		337,534
Total Additions		55,849,556
DEDUCTIONS		
Scholarships and Other Student Support		55,507,102
Student Organizations Support		339,204
Total Deductions		55,846,306
Net Increase (Decrease) in Fiduciary Net Position		3,250
Net Position, Beginning of Year		
Net Position, Beginning of Year, As Originally Reported		524,041
Net Position, End of Year	$	527,291

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Notes to the Financial Statements

GEORGIA COLLEGE & STATE UNIVERSITY

GEORGIA COLLEGE & STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

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

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

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the University. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2023, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Basis of Accounting and Financial Statement Presentation

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

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

The University reports the following fiduciary funds:

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

New Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91*, Conduit Debt Obligations*, effective for fiscal years beginning after December 15, 2020. In fiscal year 2020, the University adopted GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* which postponed the effective dates of Statement No. 91 to fiscal year 2023. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

In March 2020, the GASB issued Statement No. 94*, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years beginning after June 15, 2022. The objectives of this statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. The adoption of this statement does not have a significant impact on the financial statements and will be applied retroactively.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for fiscal years beginning after June 15, 2022. This statement defines subscription-based information technology arrangements and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use asset for contracts that meet the definition of a subscription-based information technology arrangement.

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Inventories

The University does not maintain an inventory for consumable supplies. 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, 2023 are recorded as prepaid items.

Capital Assets

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

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

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

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

Intangible Right-To-Use Assets

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

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

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

Capital Liability Reserve Fund

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

Deferred Outflows of Resources

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

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

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

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

Compensated Absences
Employee vacation pay is accrued at the end of the fiscal year for financial statement purposes. The liability and expense incurred are recorded at the end of the fiscal year as compensated absences in the Statement of Net Position, and as a component of compensation and benefit expense in the Statement 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/or subscription obligations with contractual maturities greater than one year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

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

Other Post-Employment Benefit (OPEB)
The net OPEB liability represents the University's proportionate share of the difference between the total OPEB liability and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

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

Pensions and Net Pension Liability
The net pension liability represents the University'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.

Public-Private and Public-Public Partnerships
A public-private or public-public partnership (PPP) is an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset. Some PPP's are service concession arrangements.

Service Concession Arrangements
Service concession agreements are arrangements between a government (transferor, one of our institutions) and a third party (operator) in which all of the following criteria are met:

a) The institution conveys to the operator the right and obligation to provide public services through the use and operation of a capital asset in exchange for significant consideration. Significant consideration could be in the form of up-front payments, installment payments, a new facility or improvements to existing facility.
b) The operator collects and is compensated by fees from third parties.
c) The institution has the ability to modify or approve what services the operator is required to provide, to whom services are provided, and prices or rates that can be charged for those services.
d) The institution is entitled to significant residual interest in the service utility of the asset at the end of the arrangement.

Net Position
The University's net position is classified as follows:

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

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

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

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Office of the State Treasurer.

These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

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

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

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.

- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting,* and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis —for State and Local Governments,* such as state appropriations and investment income.

- Operating expense includes activities that have the characteristics of exchange transactions.

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

Scholarship Allowances
Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the University 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 $6,889,267.

Restatement of Prior Year Net Position

		Business-type Activities
Net position, beginning of year, as originally reported	$	(10,574,511)
Changes in accounting principles		
Net position, beginning of year, restated	$	(10,574,511)

The University made prior period adjustments due to the adoption of GASB Statement No. 94, which required the restatement of the June 30, 2022 business-type activities. Under this statement, the institution (transferor) is required to recognize a receivable and a deferred inflow of resource.

For business-type activities, the results are an overall increase in accounts receivables of $3,549,433 and an overall increase in deferred inflows of resources of $3,549,433 for a net impact on the net position of $0. This change is in accordance with generally accepted accounting principles.

The University made prior period adjustments due to the adoption of GASB Statement No. 96, which required the restatement of the June 30, 2022 business type-activities. Under this statement, a governmental end user is required to recognize a subscription liability and an intangible right-to-use subscription asset.

For business-type activities, the results are an overall increase in liabilities of $306,295 and an overall increase in assets of $306,295 for a net impact on net position of $0. The increase in liabilities is the result of an increase in subscription obligations, which is evidence by the restatement noted in Note 8, *Long-Term Liabilities*. The increase in assets is the result of an increase in intangible right-to-use assets of $306,295 which is evidence by the restatement noted in Note 6, *Capital Assets and Intangible Right-to-Use Assets*. This change is in accordance with generally accepted accounting principles.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2023 are classified in the accompanying statement of net position as follows:

Statement of Net Position		
Current		
Cash and Cash Equivalents	$	27,537,779
Cash and Cash Equivalents (Externally Restricted)		518,131
Noncurrent		
Cash (Externally Restricted)		165,992
Investments		9,506,783
Investments (Externally Restricted)		6,744,129
Statement of Fiduciary Net Position		
Cash and Cash Equivalents		(1,916,912)
	$	42,555,902

Cash on hand, deposits and investments as of June 30, 2023 consist of the following:

Cash on Hand	$	90,823
Deposits with Financial Institutions		26,048,175
Investments		16,416,904
	$	42,555,902

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

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

2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.

3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.

4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.

5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.

6. Letters of credit issued by a Federal Home Loan Bank.

7. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation.

The University 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, 2023, the bank balances of the University's deposits totaled $26,248,416. Of these deposits, $0 were exposed to custodial credit risk.

B. Investments

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

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

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

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

The following table summarizes the valuation of the University’s investments measured at fair value on a recurring basis and at net asset value as of June 30, 2023.

		Fair Value Hierarchy	
	Fair Value	Level 1	Level 2
Investment type:			
Debt Securities			
U.S. Treasuries	$ 12,756	$ 12,756	
Corporate Debt	500,825		500,825
Mutual Bond Funds	97,901	97,901	
Other Investments			
Equity Mutual Funds - Domestic	436,680	436,680	
Equity Mutual Funds - International	313,612	313,612	
Equity Securities - Domestic	1,006,312	1,006,312	
Equity Securities - International	193,373	193,373	
Real Estate Investment Trusts	185,311	185,311	
Other	165,992	165,992	
	$ 2,912,762	$ 2,411,937	$ 500,825
Investment Pools			
Board of Regents			
Total Return Fund	7,612,302		
Diversified Fund	5,891,840		
Total Investments	$ 16,416,904		

<u>*Board of Regents Pooled Investment Program*</u>

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

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

Total Return Fund

The Total Return Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is another pool designed to be a vehicle to invest funds that are not subject to state regulations concerning investing in equities. This pool offers greater overall equity exposure and is appropriate for investing longer term funds such as endowments. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents.

The equity allocation shall range between 60% and 80%, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the University's position in the Total Return Fund at June 30, 2023 was $7,612,302, of which 30% is invested in debt securities. The Effective Duration of the Fund is 5.68 years.

Diversified Fund

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

The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Institution's position in the Diversified Fund at June 30, 2023 was $5,891,840, of which 27% is invested in debt securities. The Effective Duration of the Fund is 5.51 years.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Through a management agreement, the Georgia College & State University Foundation, Inc. manages the University's endowment funds. The Georgia College & State University Foundation's policy for managing interest rate risk, as adopted by the Investment Committee:

The Fixed Income portfolio should maintain a minimum overall quality rating of "investment grade" by Moody's and Standard & Poor's ("Baa3" or better for Moody's, "BBB-" or better for Standard & Poor's). Allowable fixed income securities include government, agency, mortgage, corporate, and asset backed, both domestically and globally.

1. The Fixed Income portfolio should maintain a minimum overall quality rating of "investment grade" by Moody's and Standard & Poor's ("Baa3" or better for Moody's, "BBB-" or better for Standard & Poor's). Allowable fixed income securities include government, agency, mortgage, corporate, and asset backed, both domestically and globally.
2. Except for government and agency issues, no more than ten (10) percent of the market value of the fixed income portfolio should be invested in any one issue, no more than twenty (20) percent of the market value in any one industry, unless specifically approved as an exception by the Committee.
3. The Asset Allocation guideline for: Cash and Cash Equivalents is 1% to 15% of the investment portfolio; for Equities is 60% to 80% of the investment portfolio; and for Fixed Income is 20% to 40% of the investment portfolio.

	Fair Value	1-5 Years	6-10 Years
Investment type:			
Debt Securities			
U.S. Treasuries	$ 12,756		$ 12,756
Corporate Debt	500,825	322,010	178,815
Money Market Mutual Funds	—		
Mutual Bond Funds	97,901	97,901	
	$ 611,482	$ 419,911	$ 191,571
Other Investments			
Cash Surrender Value			
Equity Mutual Funds - Domestic	436,680		
Equity Mutual Funds - International	313,612		
Equity Securities - Domestic	1,006,312		
Equity Securities - International	193,373		
Real Estate Investment Trusts	185,311		
Other	165,992		
Investment Pools			
Board of Regents			
Total Return Fund	7,612,302		
Diversified Fund	5,891,840		
Total Investments	$ 16,416,904		

Custodial Credit Risk
Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Through a management agreement, the Georgia College & State University Foundation, Inc. manages the University's endowment funds. The University's Foundation's policy for managing custodial credit risk, as adopted by the Georgia College & State University Foundation's Investment Committee on January 20,2021 and by the Board of Trustees on February 5,2021, is:

1. The Investment Advisor's performance shall be compared regularly with the performance of the appropriate equity or fixed income market indices, performance of peers, industry benchmarks and other reasonable peer performance guidelines.
    a. Equity management will be expected to achieve at least average total rates of return, net of fees, over rolling three (3) year periods that equal or exceed the MSCI All Country World Index (MSCI ACWI).
    b. Fixed income management will be expected to achieve at least average total rates of return, net of fees over rolling three (3) year periods that equal or exceed the Barclays Capital Aggregate Bond Index (BarCap AGG).
    c. Individual managers/funds are expected to outperform their respective benchmarks and finish in the top half of their respective peer group over a full market cycle, typically defined as five (5) years.
2. The Investment Advisor can be responsible for custody of securities. If the Investment Advisor does not generally offer custodial services, the (Investment) Committee shall name a custodian.
3. All transactions shall be entered into on the basis of best execution, which means best-realized net price.
4. The Investment Committee shall conduct regular evaluations of the Investment Advisor. Notwithstanding the foregoing, a formal request for proposals (RFP) shall be issued to the current Investment Advisor, custodians and no fewer than three (3) qualified investment advisory firms at an interval of not more than five (5) years from the date of hire.
5. The (Investment) Committee shall conduct a formal review of the Portfolio performance quarterly with the Investment Advisor.

At June 30, 2023, $14,017,723 was uninsured and held by the investment's counterparty's trust department or agent, but not in the University's name.

Credit Quality Risk
Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Through a management agreement, the Georgia College & State University Foundation, Inc. manages the University's endowment funds. The University Foundation's policy for managing credit quality risk, as adopted by the Georgia College & State University Foundation's Investment Committee on January 20,2021 and by the Board of Trustees on February 5,2021, is:

Equities:
1. To achieve diversification, the Foundation shall invest across various equity styles, foreign and domestic, and various capitalization sizes and industry sectors, both public and private. The portfolio shall be diversified among different industries, with a concentration in any single industry and in any single company of not greater than twenty (20) percent and five (5) percent respectively, unless specifically approved as an exception by the Investment Committee. Futures and derivatives as investments shall not be used except by majority vote of the Investment Committee or when used as a sub-strategy within a professionally-managed commingled/mutual fund.
2. Upon specific approval by the Committee, investments in income-producing real estate shall be permitted and shall be treated as an equity investment. Professionally-managed commingled/mutual funds using publicly traded Real Estate Investment Trusts (REITs) shall also be allowed.
3. The Asset Allocation guideline for Equities is 60% to 80% of the investment portfolio.

Fixed Income:
1. The Fixed Income portfolio should maintain a minimum overall quality rating of "investment grade" by Moody's and Standard & Poor's ("Baa3" or better for Moody's, "BBB-" or better for Standard & Poor's). Allowable fixed income securities include government, agency, mortgage, corporate, and asset backed, both domestically and globally.
2. Except for government and agency issues, no more than ten (10) percent of the market value of the fixed income portfolio should be invested in any one issue, no more than twenty (20) percent of the market value in any one industry, unless specifically approved as an exception by the Committee.
3. The Asset Allocation guideline for Fixed Income is 20% to 40% of the investment portfolio.

The investments subject to credit quality risk are reflected below:

		Fair Value		AA		A		BBB		Unrated
Related Debt Investments										
Corporate Debt		500,825		95,877	$	199,208	$	205,740		
Mutual Bond Funds		97,901								97,901
	$	598,726	$	95,877	$	199,208	$	205,740	$	97,901

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The University does not have a formal policy for managing credit quality risk for investments.

At June 30, 2023, the University had no investments that had concentrations of greater than 5% of total investments held.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2023:

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	$ 274,540	
Auxiliary Enterprises and Other Operating Activities	495,368	
Federal Financial Assistance	4,074,418	14,726
Georgia Student Finance Commission		2,424,720
Georgia State Financing and Investment Commission	401,987	
Due from Affiliated Organizations	50,941	
Due From Other USG Institutions	821,043	
Public-Private or Public-Public Partnership (PPP) Receivable	3,330,000	
Other	166,332	4,954
	$ 9,614,629	$ 2,444,400
Less: Allowance for Doubtful Accounts	204,097	—
Net Accounts Receivable	$ 9,410,532	$ 2,444,400

Note 4   Inventories

Inventories consisted of the following at June 30, 2023:

Merchandise for Resale	$ 40,991
Total	$ 40,991

Note 5   Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2023. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts canceled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management’s opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2023, the allowance for uncollectible loans was $4,862. During the latter part of Fiscal Year 2018, the University began official Federal procedures to liquidate the remaining Perkins Loan Program activity at Georgia College & State University in line with the Federal government's guidance to liquidate this program nationwide. As of June 30, 2019 the University has assigned all remaining Federal Perkins loans back to the U.S. Department of Education, and the Federal Perkins Loan Program has been liquidated and completely dissolved at Georgia College & State University.

Note 6 Capital and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2023 are shown below:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Capital Assets, Not Being Depreciated:				
Land	$ 2,268,617	$ 457,700	$ —	$ 2,726,317
Capitalized Collections	347,681	22,453	—	370,134
Construction Work-in-Progress	4,445,801	3,898,445	1,622,493	6,721,753
Total Capital Assets Not Being Depreciated	$ 7,062,099	$ 4,378,598	$ 1,622,493	$ 9,818,204
Capital Assets, Being Depreciated:				
Building and Building Improvements	$ 300,555,138	$ 377,483	$ —	$ 300,932,621
Facilities and Other Improvements	9,201,567	1,270,370	—	10,471,937
Equipment	23,666,109	3,014,975	$ 551,092	26,129,992
Library Collections	11,516,213	21,358	179,616	11,357,955
Capitalized Collections	29,200	—	—	29,200
Total Capital Assets Being Depreciated	$ 344,968,227	$ 4,684,186	$ 730,708	$ 348,921,705
Less: Accumulated Depreciation				
Building and Building Improvements	$ 126,075,969	$ 8,066,688	$ —	$ 134,142,657
Facilities and Other Improvements	2,710,117	429,049	—	3,139,166
Equipment	16,615,987	2,019,189	538,435	18,096,741
Library Collections	9,974,540	318,080	179,616	10,113,004
Capitalized Collections	10,464	646	—	11,110
Total Accumulated Depreciation	$ 155,387,077	$ 10,833,652	$ 718,051	$ 165,502,678
Total Capital Assets, Being Depreciated, Net	$ 189,581,150	$ (6,149,466)	$ 12,657	$ 183,419,027
Capital Assets, net	$ 196,643,249	$ (1,770,868)	$ 1,635,150	$ 193,237,231

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30,2023 GSFIC had Construction in Progress of approximately $0.00 for incomplete GSFIC managed projects for the University.

Intangible Right-to-Use Assets

Changes in intangible assets for the year ended June 30, 2023 are shown below:

	(Restated) Beginning Balances July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023
Intangible Right-to-use Assets				
Building and Building Improvements	$ 1,277,723	$ 197,366	$ 511,489	$ 963,600
Facilities and Other Improvements	216,642	—	—	216,642
Subscription Based IT Arrangements (SBITAs)	306,295	—	—	306,295
Total Leased Assets Being Amortized	1,800,660	197,366	511,489	1,486,537
Less: Accumulated amortization				
Building and Building Improvements	218,619	146,437	84,080	280,976
Facilities and Other Improvements	38,592	42,100	—	80,692
Equipment	—	101	—	101
Subscription Based IT Arrangements (SBITAs)	—	95,670	—	95,670
Total Accumulated Amortization	257,211	284,308	84,080	457,439
Intangible Right-to-use Assets, net	$ 1,543,449	$ (86,942)	$ 427,409	$ 1,029,098

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

Fiscal Year	Depreciation & Amortization Expense
2023	11,117,960
2022	10,819,182
2021	10,128,529

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2023:

	Current Liabilities
Prepaid Tuition and Fees	$ 2,108,575
Research	160,908
Other - Advances	15,925
Totals	$ 2,285,408

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2023 was as follows:

	(Restated) Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Lease & Subscription Obligations					
Lease Obligations	$ 1,228,760	$ 197,366	$ 606,404	$ 819,722	$ 194,387
Subscription Obligations	306,295		64,238	242,057	115,058
Total	1,535,055	197,366	670,642	1,061,779	309,445
Other Liabilities					
Compensated Absences	$ 3,307,393	$ 2,415,081	$ 2,469,029	$ 3,253,445	$ 2,446,772
Notes and Loans Payable	104,744,987	—	5,562,586	99,182,401	5,751,991
Total	$ 108,052,380	$ 2,415,081	$ 8,031,615	$ 102,435,846	$ 8,198,763
Total Long-Term Obligations	$ 109,587,435	$ 2,612,447	$ 8,702,257	$ 103,497,625	$ 8,508,208

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

Notes and loan principal and interest payments related to capital financing activities for fiscal year 2023 were $5,562,586 and $3,419785, respectively. Of the Notes and loan principal payment $304,604 were related to non-capital financing activities for fiscal year 2023.

The University has $99,182,401 in outstanding notes and loans payable due to affiliated organizations and other related party organizations for financing lease agreements.

Below is the annual debt service related to the outstanding notes and loans payable at June 30, 2023.

	Principal	Interest
Year Ending June 30:		
2024	$ 5,751,992	$ 3,235,622
2025	5,953,964	3,028,963
2026	5,573,388	2,839,431
2027	5,750,232	2,663,955
2028	5,941,399	2,487,991
2029 through 2033	32,668,479	9,458,445
2034 through 2038	32,154,469	2,432,454
2039 through 2043	5,388,478	392,045
Total Minimum Lease Payments	$ 99,182,401	$ 26,538,906

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

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to financing lease agreements for fiscal year 2023 were $5,562,586 and $3,419,785, respectively. Interest rates range from $4.100% - 17.93%.

The following is a summary of the carrying values of assets held under financing lease agreements at June 30, 2023:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Lease Arrangements at June 30, 2023	Outstanding Balances per Lease Schedules at June 30, 2023
	(+)	(-)	(=)	
Financed Land and Land Improvements	$ 735,481	$ —	$ 735,481	$ 313,478
Finance Buildings and Building Improvements	129,551,028	64,253,662	65,297,366	98,701,312
Financed Facilities and Other Improvements	1,142,211	731,015	411,196	167,611
Total Assets Held Under Finance Lease Arrangement	$ 131,428,720	$ 64,984,677	$ 66,444,043	$ 99,182,401

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/Year	Outstanding Principal	
Student Housing	USG Real Estate Foundation	$ 94,350,650	27 yrs	June 2007	June 2037	$ 71,684,157	
Student Activity Center	GCSU Foundation	6,382,006	20 yrs	February 2005	June 2025	860,106	(1)
Irwin Street Parking Lot	GCSU Foundation	1,595,164	20 yrs	September 2004	June 2025	216,565	(1)
Campus Theater	USG Real Estate Foundation I, LLC	9,448,892	30 yrs	July 2010	June 2040	6,687,523	
Student Wellness & Recreation Center	USG Real Estate Foundation I, LLC	29,443,514	30 yrs	August 2010	June 2041	19,734,050	
Total Financed Leases		$ 141,220,226				$ 99,182,401	

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

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, 2023, consisted of the following:

Deferred Outflow of Resources		
Deferred Loss on Debt Refunding	$	4,736,255
Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	$	40,957,218
Deferred Outflow on OPEB Plan (See Note 17)		13,021,463
Total Deferred Outflows of Resources	$	58,714,936

Deferred Inflow of Resources		
Deferred Inflow on Debt Refunding	$	4,033,586
Deferred Inflows Public-Private or Public-Public Partnership (PPP)		3,549,433
Deferred Inflow on Defined Benefit Pension Plans (See Note 14)		4,014,065
Deferred Inflow on OPEB Plan (See Note 17)		29,443,001
Total Deferred Inflows of Resources	$	41,040,085

Deferred Loss/Gain on Debt Refunding
The unamortized deferred gain or loss on debt refunding 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 where passed through to the Institution.

Public-Private or Public-Public Partnerships (PPP)

On June 30,2022, the University entered into an agreement with Sodexo Management, Inc (Sodexo), whereby Sodexo will operate food services operations from service participants. The agreement is renewable for each year for five years.

Under the terms of the contract Sodexo committed $3,330,000 to be used toward locations construction and Food Services refreshes, each year that the Agreement remains in effect. The amount has been recorded in an accounts receivable and deferred inflow until construction and refresh is complete.

On July 1, 2020, the University entered into a Service Concession Arrangement agreement with Barnes and Noble, whereby Barnes and Noble will operate the on campus bookstore operations. The agreement is renewable for each year for five years.

Under the terms of the contract Barnes and Noble pay $6,100 per month for space within the Campus Theater building and a guaranteed minimum yearly payment of $250,000 to be paid in monthly pro rata installments. The guaranteed monthly payment shall be amended each year to reflect 90% of the payments to GC of the prior contract year. Payment will be accompanied by monthly and year-to-date statements of income and gross sales as defined in the Revenue Rates section of this Agreement. The amortized revenue recorded related to the payment in fiscal year 2023 was $237,472 and the remaining deferred inflow was $219,433.

For the fiscal year 2023, the University received variable payments related to revenue sharing arrangements, based on performance of the operator and/or the usage of the underlying PPP asset(s) in the amount of $3,549,433.00. There were not any variable or other payments, such as residual value guarantees or termination penalties, received for the fiscal year ended June 30, 2023.

Description	Operator	Begin Month/ Year	PPP Term	Discount Rate	Amortized Revenue in Current Year	Interest Income	Remaining Deferred Inflow of Resources	Related Party
Bookstore	Barnes & Noble	44,743	2		145,875	525	219,433	(1)
Food Services	Sodexo	44,743	5				3,330,000	(1)
Total PPPs					$ 145,875	$ 525	$ 3,549,433	

(1) These PPP's are related party transactions.

Note 10 Net Position

The breakdown of business-type activity net position for the University fund at June 30, 2023 is as follows:

NET POSITION		
Net Investment in Capital Assets	$	97,006,946
Restricted for		
Nonexpendable		
Permanent Endowment	$	6,896,008
Expendable		
Sponsored and Other Organized Activities	$	434,463
Institutional Loans		102,643
Sub-Total	$	537,106
Unrestricted		
Auxiliary Enterprises Operations	$	11,669,367
Reserve for Encumbrances		16,435,943
Capital Liability Reserve Fund		821,043
Other Unrestricted		(141,823,218)
Sub-Total	$	(112,896,865)
Total Net Position	$	(8,456,805)

Other unrestricted net position is reduced by $93,609,878 related to the recording of net OPEB liability, deferred inflow of resources, and deferred outflow of resources related to the OPEB plan. Other unrestricted net position is also reduced by $48,696,834 related to the recording of net pension liability, deferred outflow of resources, and deferred outflow of resources related to the defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University 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, 2023 are as follows:

	July 1, 2022	Additions	Reductions	Balance June 30, 2023
Net Investments in Capital Assets	$ 94,699,632	$ 13,566,281	$ 11,258,967	$ 97,006,946
Restricted Net Position	7,144,835	16,161,978	15,873,699	7,433,114
Unrestricted Net Position	(112,418,978)	136,079,599	136,557,486	$ (112,896,865)
Total Net Position	$ (10,574,511)	$ 165,807,858	$ 163,690,152	$ (8,456,805)

Note 11 Endowments

Donor Restricted Endowments

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. For University controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net gain on endowment investments available for authorization of expenditure was $1,476,273 an is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the University's endowment funds is predicated on the total return concept. Annual payouts from the University's endowment funds are based on a spending policy which limits spending to 4.5% of endowment principal's market value. To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the University uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

For the current year, the University did incur investment gains of $956,240 that did not exceed the related endowment's available accumulated income and net appreciation.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2023. In addition to these encumbrances, the University had no other significant unearned outstanding construction or renovation contracts executed as of June 30, 2023.

Note 13 Leases and Subscriptions

Lease Obligations

The University leases land, facilities, office and computer equipment, and other assets. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligations accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest expenditures related to capital leases for fiscal year 2023 were 173,199 and 7,455, respectively. Interest rates range from .344882%-.720337%.

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

The following is a summary of the carrying values of assets held under lease at June 30, 2023:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Lease Obligations at June 30, 2023	Outstanding Balance per Lease Schedules at June 30, 2023
	(+)	(-)	(=)	
Leased Buildings and Building Improvements	963,599	280,975	682,624	686,227
Leased Facilities and Other Improvements	216,642	80,692	135,950	133,495
Total Assets Held Under Lease	$ 1,180,241	$ 361,667	$ 818,574	$ 819,722

The University has $819,722 in outstanding lease obligations due to external units and other related party organizations.

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
120 North Clarke St	Richard C Sims		6 yrs	Jul 2021	Jun, 2027	
115 S Wilkinson St	GCSU Foundation		1 yr	Jul 2021	Jun, 2022	
821 North Cobb St	Navicent Health Oconee	609,634	6 yrs	July 2021	June 2027	419,543
425 N Clarke St	Wilkinson Colonial Properties	81,130	3 yrs	July 2021	June 2024	27,260
141 W Thomas St	Wilkinson Hilltop Investments	135,512	9 yrs	July 2021	June 2030	106,235
121 Blandy Rd	Warehouse Solutions LLC	116,767	9 years	July 2021	June 2030	91,469
115 S Wilkinson St	Hunter McComb	197,366	5 years	December 2022	Jun, 2027	175,215
Total Leases		$ 1,140,409				$ 819,722

(1) These leases are related party transactions.

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

In fiscal year 2023, we terminated the lease agreement with Richard C Sims, 120 North Clarke St.

Below is the future commitments related to the outstanding lease obligations as of June 30, 2023:

	Principal	Interest
Year Ending June 30:		
2024	$ 194,387	$ 7,754
2025	173,301	5,774
2026	179,694	3,807
2027	186,315	1,749
2028	28,456	539
2029 through 2033	57,569	422
Total Minimum Lease Payments	$ 819,722	$ 20,045

Subscription Obligations
The University has $242,057 in outstanding subscription obligations due to external units.

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2023..

The following is a summary of the carrying values of intangible right-to-use assets held under SBITA at June 30, 2023:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Subscription Obligations at June 30, 2022	Outstanding Balance per Subscription Schedules at June 30, 2022
Subscription Based IT Arrangements (SBITAs)	306,295	95,670	210,625	242,057

Below is the future commitments related to the outstanding subscription obligations year at June 30, 2023:

	Principal	Interest
Year Ending June 30:		
2024	115,058	5,194
2025	70,895	3,293
2026	56,104	1,268
Total Minimum Subscription Payments	$ 242,057.00	$ 9,755.00

Note 14. Retirement Plans

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

The University also provides the Regents Retirement Plan.

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

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

General Information about the Teachers Retirement System

Plan description

All teachers of the University 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 2023. The University's contractually required contribution rate for the year ended June 30, 2023 was 19.98% of the University annual payroll. The University's contributions to TRS totaled $7,475,965 for the year ended June 30, 2023.

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, 2023 was 31.01% of annual covered payroll for old and new plan members and 27.47% for GSEPS members. The rates include the annual actuarially determined contribution rate of 24.67% of annual covered payroll for old and new plan members and 21.59% for GSEPS members, plus a 6.34% adjustment to the old and new plan and a 5.88% adjustment to the GSEPS plan for the commencement of COLA prefunding for certain retired ERS members.The University's contributions to ERS totaled $53,691 for the year ended June 30, 2023. 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, 2023, the University 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, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The University's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2022. At June 30, 2022, the University's TRS proportion was 0.260992%, which was an decrease of (0.017250)% from its proportion measured as of June 30, 2021. At June 30, 2022, the University's ERS proportion was 0.013339%, which was a increase of 0.005429% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the University recognized pension expense of $11,412,010 for TRS and $176,651 for ERS. At June 30, 2023, the University 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	$ 3,517,958	$ 441,139	$ 1,913	$ 8,080
Changes of assumptions	12,757,451	—	158,356	—
Net difference between projected and actual earnings on pension plan investments	16,650,796	—	103,507	—
Changes in proportion and differences between contributions and proportionate share of contributions	121,843	3,558,068	115,738	6,778
Contributions subsequent to the measurement date	$ 7,475,965	—	$ 53,691	—
Total	$ 40,524,013	$ 3,999,207	$ 433,205	$ 14,858

The University'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, 2024. 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
2024	$	7,811,067	$	217,483
2025	$	5,586,444	$	64,991
2026	$	3,928,624	$	2,581
2027	$	11,722,706	$	79,601

Actuarial assumptions

The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the investment rate of return and payroll growth assumption.

Employees' Retirement System

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

Asset class	TRS target allocation	TRS Long-term expected real rate of return*	ERS target allocation	ERS Long-term expected real rate of return*
Fixed income	30.00 %	0.20 %	30.00 %	0.20 %
Domestic large equities	46.30 %	9.40 %	46.30 %	9.40 %
Domestic small equities	1.20 %	13.40 %	1.20 %	13.40 %
International developed market equities	12.30 %	9.40 %	12.30 %	9.40 %
International emerging market equities	5.20 %	11.40 %	5.20 %	11.40 %
Alternatives	5.00 %	10.50 %	5.00 %	10.50 %
Total	100.00 %		100.00 %	

* Rates shown are net of inflation

Discount rate

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

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

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	$ 127,858,397	$ 84,749,147	$ 49,544,743

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$ 1,185,874	$ 890,840	$ 642,740

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

B. Defined Contribution Plan:

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

Funding Policy
The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2023, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University and the covered employees made the required contributions of $1,963,569 (9.24%) and $1,275,045 (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 2023, 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 University's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

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

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

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

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

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

Note 16 Contingencies

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

Litigation, claims and assessments filed against the University, 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, 2023.

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 2023, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

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

The University's membership in the Plan consisted of the following at June 30, 2023:

Active Employees	844
Retirees or Beneficiaries Receiving Benefits	343
Retirees or Beneficiaries Eligible But Not Receiving Benefits	—
Retirees Receiving Life Insurance Only	91
Total	1,278

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

The University 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 2023 plan year, the employer rate was approximately 84% of the total health insurance cost for eligible retirees and the retiree rate was approximately 16%. 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 2023, the University contributed $1,968,320 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, 2023, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2022 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the University's proportion was 1.94855%, which was an increase of 0.009041% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the University recognized OPEB expense of $(933,901). At June 30, 2023, the University 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	$ 3,564,116	$ 646,418
Changes of assumptions	6,636,664	27,796,905
Net difference between projected and actual earnings on OPEB plan investments	312,267	—
Changes in proportion and differences between contributions and proportionate share of contributions	540,096	999,678
Contributions subsequent to the measurement date	1,968,320	—
Total	$ 13,021,463	$ 29,443,001

The University's contributions subsequent to the measurement date of $1,968,320 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2024	$	(5,037,437)
2025	$	(5,007,584)
2026	$	(4,915,731)
2027	$	(3,266,276)
2028	$	(162,830)

Actuarial assumptions

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of May 1, 2022 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 6/30/2022 3.54% GO 20-Municipal Bond Index Rate Interest Rate as of 6/30/2021 2.16% from Bond Buyers GO 20- Municipal Bond Index; Discount Rate 2.18% Long-term Rate of Return 4.36% General Inflation 2.40% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2021
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7%
Medicare Eligible	4%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4%
Year Ultimate Trend is Reached	Fiscal Year 2034 for Pre-Medicare Eligible, Fiscal Year 2022 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019 with the exception of the disability and salary increase assumptions. These assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- Mortality improvement scale was updated from MP-2020 to MP-2021.
- Mortality base rates for future disabled participants were updated to reflect Pub-2010 for Teachers (headcount weighted) disabled mortality,
- The discount rate was updated from 2.18% as of June 30, 2021, to 3.54% as of June 30, 2022; and
- The Expected Return on Assets was changed from 4.37% to 4.36%.

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, 2022 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Fixed Income	0.34 %	70 %
Equity Allocation	4.03 %	30 %

Discount rate

The Plan’s projected fiduciary net position at the end of 2025 is $0, based on the valuation completed for the fiscal year ending June 30, 2022. 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 2026. Therefore, the long-term expected rate of return on Plan investments of 4.37% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2022. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 3.54% from the Bond Buyers GO 20-Bond Municipal Bond Index.

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

The following presents the the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current discount rate (3.54%):

	1% Decrease 2.54%	Current Rate 3.54%	1% Increase 4.54%
Proportionate Share of the Net OPEB Liability	$ 91,691,563	$ 77,188,340	$ 65,773,417

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

The following presents the University's proportionate share of the net OPEB liability, as well as what the University'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	$ 66,235,232	$ 77,188,340	$ 91,253,850
Pre-Medicare Eligible	6.0% decreasing to 3.5%	7.0% decreasing to 4.5%	8.0% decreasing to 5.5%
Medicare Eligible	3%	4%	5%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2023 are shown below:

	Natural Classification				
Functional Classification	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	$ 29,183,846	$ 3,998,880	$ 10,077,836	$ 52,364	$ 163,978
Research	334,272	130,114	150,274	2,500	55,529
Public Service	107,727	1,334,740	432,030	9,225	14,811
Academic Support	2,633,725	5,232,514	2,604,269	33,704	308,962
Student Services	144,576	5,658,071	1,971,771	53,328	65,738
Institutional Support	49,575	7,133,035	6,920,967	16,827	90,752
Plant Operations and Maintenance	—	5,821,650	2,500,469	—	19,015
Scholarships and Fellowships	15,638	—	4,308	—	—
Auxiliary Enterprises	—	3,130,604	891,817	—	117,159
Total Operating Expenses	$ 32,469,359	$ 32,439,608	$ 25,553,741	$ 167,948	$ 835,944

	Natural Classification				
Functional Classification	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/ Amortization	Total Operating Expenses
Instruction	$ 28,363	$ 99,063	$ 4,090,772	$ 2,639,472	$ 50,334,574
Research	—	1,318	267,480	33,433	974,920
Public Service		22,414	2,244,734	12,700	4,178,381
Academic Support	64,170	43,427	2,891,896	1,509,451	15,322,118
Student Services	—	44,937	2,581,605	1,216,991	11,737,017
Institutional Support	—	51,376	4,513,685	1,529,912	20,306,129
Plant Operations and Maintenance	—	2,646,815	8,796,444	451,858	20,236,251
Scholarships and Fellowships	2,248,050	146	69,244	1,656	2,339,042
Auxiliary Enterprises	763,545	1,071,677	11,452,792	3,722,487	21,150,081
Total Operating Expenses	$ 3,104,128	$ 3,981,173	$ 36,908,652	$ 11,117,960	$ 146,578,513

Note 19 Subsequent Events

Georgia College and State University had no subsequent events to report.

Required Supplementary

Information

GEORGIA COLLEGE & STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLANS
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, 2023	$ 53,691	$ 53,691	—	$ 176,163	30.48%
	June 30, 2022	$ 34,480	$ 34,480	—	$ 140,450	24.55%
	June 30, 2021	$ 46,756	$ 46,756	—	$ 189,604	24.66%
	June 30, 2020	$ 55,344	$ 55,344	—	$ 224,431	24.66%
	June 30, 2019	$ 104,472	$ 104,472	—	$ 386,819	27.01%
	June 30, 2018	$ 101,156	$ 101,156	—	$ 433,852	23.32%
	June 30, 2017	$ 89,782	$ 89,782	—	$ 340,674	26.35%
	June 30, 2016	$ 63,597	$ 63,597	—	$ 254,953	24.94%
	June 30, 2015	$ 59,589	$ 59,589	—	$ 271,351	21.96%
	June 30, 2014	$ 44,958	$ 44,958	—	$ 243,543	18.46%
Teachers' Retirement System	June 30, 2023	$ 7,475,965	$ 7,475,965	—	$ 37,801,576	19.78%
	June 30, 2022	$ 7,036,525	$ 7,036,525	—	$ 35,428,814	19.86%
	June 30, 2021	$ 6,902,070	$ 6,902,070	—	$ 36,206,508	19.06%
	June 30, 2020	$ 7,862,825	$ 7,862,825	—	$ 37,220,650	21.12%
	June 30, 2019	$ 7,341,341	$ 7,341,341	—	$ 35,136,896	20.89%
	June 30, 2018	$ 5,463,981	$ 5,463,981	—	$ 31,310,997	17.45%
	June 30, 2017	$ 4,565,650	$ 4,565,650	—	$ 33,002,605	13.83%
	June 30, 2016	$ 4,334,213	$ 4,334,213	—	$ 30,403,885	14.26%
	June 30, 2015	$ 3,616,671	$ 3,616,671	—	$ 27,503,201	13.15%
	June 30, 2014	$ 3,186,940	$ 3,186,940	—	$ 25,952,283	12.28%

GEORGIA COLLEGE & STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST NINE 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, 2023	0.013339%	$ 890,840	$ 140,450	634.28%	67.44%
	June 30, 2022	0.007910%	$ 185,007	$ 189,604	97.58%	87.62%
	June 30, 2021	0.008901%	$ 375,173	$ 224,431	167.17%	76.21%
	June 30, 2020	0.016558%	$ 683,271	$ 386,819	176.64%	76.74%
	June 30, 2019	0.016866%	$ 693,367	$ 433,852	159.82%	76.68%
	June 30, 2018	0.013889%	$ 564,079	$ 340,674	165.58%	76.33%
	June 30, 2017	0.010977%	$ 519,258	$ 254,953	203.67%	72.34%
	June 30, 2016	0.012000%	$ 471,664	$ 271,351	173.82%	76.20%
	June 30, 2015	0.011000%	$ 405,667	$ 243,543	166.57%	77.99%
Teachers Retirement System	June 30, 2023	0.260992%	$ 84,749,147	$ 35,428,814	239.21%	72.85%
	June 30, 2022	0.278242%	$ 24,608,649	$ 36,206,508	67.97%	92.03%
	June 30, 2021	0.287993%	$ 69,763,177	$ 37,220,650	187.43%	77.01%
	June 30, 2020	0.287730%	$ 61,869,730	$ 35,136,896	176.08%	78.56%
	June 30, 2019	0.284775%	$ 52,860,340	$ 31,310,997	168.82%	80.27%
	June 30, 2018	0.287152%	$ 53,368,084	$ 33,002,605	161.71%	79.33%
	June 30, 2017	0.275196%	$ 56,776,003	$ 30,403,885	186.74%	76.06%
	June 30, 2016	0.262000%	$ 39,820,978	$ 27,503,201	144.79%	81.44%
	June 30, 2015	0.254000%	$ 32,089,929	$ 25,952,283	123.65%	84.03%

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

GEORGIA COLLEGE & STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2023

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 7.00%. .

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. The assumption for future COLAs was set at 1.05%. 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, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

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

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

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%.

GEORGIA COLLEGE & STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SEVEN 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 20, 2023	$ 1,968,320	$ 1,968,320	$ —	$ 60,459,665	3.26%
June 30, 2022	$ 2,851,565	$ 2,851,565	$ —	$ 60,407,623	4.72%
June 30, 2021	$ 2,276,610	$ 2,276,610	$ —	$ 59,358,439	3.84%
June 30, 2020	$ 1,995,438	$ 1,995,438	$ —	$ 59,572,820	3.35%
June 30, 2019	$ 3,166,320	$ 3,166,320	$ —	$ 58,988,032	5.37%
June 30, 2018	$ 3,117,254	$ 3,117,254	$ —	$ 55,622,065	5.60%
June 30, 2017	$ 1,956,341	$ 1,956,341	$ —	$ 53,605,305	3.65%

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

GEORGIA COLLEGE & STATE UNIVERSITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SIX 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, 2023	1.948550%	$ 77,188,340	60,407,623	127.78%	5.08%
June 30, 2022	1.939509%	$ 97,617,052	59,358,439	164.45%	3.74%
June 30, 2021	1.941239%	$ 103,540,239	$ 59,572,820	173.80%	2.91%
June 30, 2020	1.974224%	$ 88,278,769	$ 58,988,032	149.66%	3.13%
June 30, 2019	1.967716%	$ 86,791,055	$ 55,622,065	156.04%	1.69%
June 30, 2018	1.964515%	$ 82,897,148	$ 53,605,305	154.64%	0.19%

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

GEORGIA COLLEGE & STATE UNIVERSITY
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, 2023

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- Mortality improvement scale was updated from MP-2020 to MP-2021.
- Mortality base rates for future disabled participants were updated to reflect Pub-2010 for Teachers (headcount weighted) disabled mortality,
- The discount rate was updated from 2.18% as of June 30, 2021, to 3.54% as of June 30, 2022; and
- The Expected Return on Assets was changed from 4.37% to 4.36%.

Supplementary Information

GEORGIA COLLEGE & STATE UNIVERSITY
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30. 2023

ASSETS		
Cash and Cash Equivalents	$	12,804,625.91
Investments		6,225,893.93
Accounts Receivable		
Federal Financial Assistance		4,074,418.64
Other		1,190,918.63
Prepaid Expenditures		803,995.68
Inventories		40,991.30
Total Assets	$	25,140,844.09
LIABILITIES AND FUND EQUITY		
Liabilities		
Accrued Payroll	$	171,191.73
Encumbrance Payable		13,967,670.48
Accounts Payable		828,341.06
Unearned Revenue		2,196,986.12
Funds Held for Others		2,464.34
Other Liabilities		418,941.40
Total Liabilities	$	17,585,595.13
Fund Balances		
Reserved		
Department Sales and Services	$	2,221,487.51
Indirect Cost Recoveries		1,463,158.51
Technology Fees		418,891.53
Restricted/Sponsored Funds		1,784,960.95
Uncollectible Accounts Receivable		137,461.40
Tuition Carry - Forward		1,424,600.08
Unreserved		
Surplus		104,688.98
Total Fund Balances	$	7,555,248.96
Total Liabilities and Fund Balances	$	25,140,844.09

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.

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30. 2023

			Funds Available Compared to Budget	
	Original Appropriation	Final Budget	Current Year Revenues	Prior Year Reserve Carry-Over
Public Service / Special Funding Initiatives				
State Appropriation				
State General Funds	$ 2,525,857.00	$ 2,525,857.00	$ 2,525,857.00	$ —
Total Public Service / Special Funding Initiatives	2,525,857.00	2,525,857.00	2,525,857.00	—
Teaching				
State Appropriation				
State General Funds	47,727,963.00	49,748,963.00	49,748,963.00	—
Federal Funds				
Federal Funds Not Specifically Identified	9,050,008.00	8,028,796.00	7,889,507.24	—
Federal Funds - COVID				
Federal Funds Not Itemized - COVID	—	3,518,862.00	3,500,000.00	—
Other Funds	55,777,708.00	59,776,734.00	58,788,289.91	7,139,431.77
Total Teaching	112,555,679.00	121,073,355.00	119,926,760.15	7,139,431.77
Total Operating Activity	$ 115,081,536.00	$ 123,599,212.00	$ 122,452,617.15	$ 7,139,431.77

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.

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30. 2023

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	$ —	$ 2,525,857.00	$ —	$ 2,524,872.20	$ 984.80	$ 984.80
Total Public Service / Special Funding Initiatives	—	2,525,857.00	—	2,524,872.20	984.80	984.80
Teaching						
State Appropriation						
State General Funds	—	49,748,963.00	—	49,748,963.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	7,889,507.24	(139,288.76)	7,889,507.24	139,288.76	—
Federal Funds - COVID						
Federal Funds Not Itemized - COVID	—	3,500,000.00	$ (18,862.00)	3,500,000.00	18,862.00	—
Other Funds	—	65,927,721.68	6,150,987.68	58,560,228.39	1,216,505.61	7,367,493.29
Total Teaching	—	127,066,191.92	5,992,836.92	119,698,698.63	1,374,656.37	7,367,493.29
Total Operating Activity	$ —	$ 129,592,048.92	$ 5,992,836.92	$ 122,223,570.83	$ 1,375,641.17	$ 7,368,478.09

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.

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30. 2023

	Beginning Fund Balance/(Deficit)	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2022 Surplus	Prior Year Adjustments	Other Adjustments	Early Return of Fiscal Year 2023 Surplus
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	$ 16,943.63	$ —	$ (16,943.63)	$ 11,664.52	$ —	$ —
Total Public Service / Special Funding Initiatives	16,943.63	—	(16,943.63)	$ 11,664.52	—	—
Teaching						
State Appropriation						
State General Funds	7,085.95	—	(7,085.95)	11,002.86	—	—
Federal Funds						
Federal Funds Not Itemized	—	—	—	—	—	—
Federal Funds - COVID						
Federal Funds Not Itemized - COVID	—	—	—	—	—	—
Other Funds	7,176,108.67	-7,139,431.77	(36,676.90)	42,074.58	(15,432.49)	—
Total Teaching	7,183,194.62	-7,139,431.77	(43,762.85)	53,077.44	(15,432.49)	—
Total Operating Activity	7,200,138.25	-7,139,431.77	(60,706.48)	64,741.96	(15,432.49)	—
Prior Year Reserves						
Not Available for Expenditure						
Uncollectible Accounts Receivable	122,028.91				15,432.49	
Budget Unit Totals	$ 7,322,167.16	$-7,139,431.77	(60,706.48)	$64,741.96	$ —	$ —

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.

GEORGIA COLLEGE & STATE UNIVERSITY
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30. 2023

	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	$ 984.80	$ 12,649.32	$ —	$ 12,649.32	$ 12,649.32
Other Funds	—	—	—	—	—
Total Public Service / Special Funding Initiatives	984.80	$ 12,649.32	—	12,649.32	$ 12,649.32
Teaching					
State Appropriation					
State General Funds	$ —	$ 11,002.86	$ —	$ 11,002.86	$ 11,002.86
Federal Funds					
Federal Funds Not Itemized	—	—	—	—	—
Federal Funds - COVID	—	—	—	—	—
Federal Funds Not Itemized - COVID	—	—	—	—	—
Other Funds	7,367,493.29	7,394,135.38	7,313,098.58	81,036.80	7,394,135.38
Total Teaching	7,367,493.29	7,405,138.24	7,313,098.58	92,039.66	7,405,138.24
Total Operating Activity	7,368,478.09	7,417,787.56	7,313,098.58	104,688.98	7,417,787.56
Prior Year Reserves					
Not Available for Expenditure					
Inventories		—	—		—
Uncollectible Accounts Receivable		137,461.40	137,461.40		137,461.40
Budget Unit Totals	$ 7,368,478.09	$ 7,555,248.96	$ 7,450,559.98	$ 104,688.98	$ 7,555,248.96

	Reserved	Surplus/(Deficit)	Total
Departmental Sales and Services	2,221,487.51	—	2,221,487.51
Indirect Cost Recovery	1,463,158.51	—	1,463,158.51
Technology Fees	418,891.53	—	418,891.53
Restricted/Sponsored Funds	1,784,960.95	—	1,784,960.95
Tuition Carry-Forward	1,424,600.08	—	1,424,600.08
Uncollectible Accounts Receivable	137,461.40	—	137,461.40
Surplus	—	104,688.98	104,688.98
	$ 7,450,559.98	$ 104,688.98	$ 7,555,248.96

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.

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231 W. Hancock Street
Milledgeville, Ga 31061
478-445-5148

www.gcsu.edu