



REVIEW REPORT • FISCAL YEAR 2024

Central Georgia Technical College

Warner Robins, Georgia

Greg S. Griffin | State Auditor



DOAA

Georgia Department
of Audits & Accounts

Central Georgia Technical College

Table of Contents

Section I

Financial

Independent Accountant's Review Report

Selected Financial Information

Exhibits

A	Statement of Net Position - (GAAP Basis)	2
B	Statement of Revenues, Expenses and Changes in Net Position - (GAAP Basis)	3
C	Statement of Cash Flows - (GAAP Basis)	4
D	Statement of Fiduciary Net Position - (GAAP Basis)	5
E	Statement of Changes in Fiduciary Net Position - (GAAP Basis)	6
F	Related Financial Notes	7

Supplementary Information

Schedules

1	Balance Sheet - (Statutory Basis) Budget Fund	33
2	Summary Budget Comparison and Surplus Analysis Report (Statutory Basis) Budget Fund	34
3	Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source (Statutory Basis) Budget Fund	35
4	Statement of Changes to Fund Balance by Program and Funding Source (Statutory Basis) Budget Fund	37

Section II

Entity's Response To Prior Year Findings and Questioned Costs

Summary Schedule of Prior Year Findings and Questioned Costs

Section III

Findings, Questioned Costs and Other Items

Schedule of Findings, Questioned Costs and Other Items

Central Georgia Technical College

Table of Contents

Section IV

Management's Corrective Action for Current Year Findings

Schedule of Management's Corrective Action

Section I

Financial



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of the Technical College System of Georgia
Members of the Local Board of Directors
and
Dr. Ivan Allen, President
Central Georgia Technical College

We have reviewed the accompanying financial statements of the business-type activities and the fiduciary activities of Central Georgia Technical College, as of and for the year ended June 30, 2024, and the related notes (financial statements), as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis, Schedules of Contributions for Defined Benefit Pension Plan and OPEB Plan, Schedules of Proportionate Share of Net Pension and Net OPEB Liabilities, and Notes to the Required Supplementary Information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Other Matters

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

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

Additionally, we have performed certain procedures at Central Georgia Technical College to support our audit of the basic financial statements of the State of Georgia presented in the State of Georgia Annual Comprehensive Financial Report and the issuance of a State of Georgia Single Audit Report pursuant to the Single Audit Act Amendments, as of and for the year ended June 30, 2024.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

January 7, 2025

Financial Statements

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

EXHIBIT "A"

ASSETS

Current Assets

Cash and Cash Equivalents	\$	1,060,089.98
Short-Term Investments		57,901.87
Accounts Receivable, Net		
Receivables - Federal Financial Assistance		886,071.53
Receivables - Other		7,081,563.98
Prepaid Items		71,858.65
Total Current Assets		9,157,486.01

Noncurrent Assets

Net OPEB Asset		1,558,534.00
Capital Assets, Net		96,219,320.96
Total Noncurrent Assets		97,777,854.96
Total Assets		106,935,340.97

Deferred Outflows of Resources

Related to Defined Benefit Pension and OPEB Plans		22,986,267.00

LIABILITIES

Current Liabilities

Accounts Payable		6,636,325.92
Salaries Payable		48,622.86
Advances (Including Tuition and Fees)		1,510,940.37
Funds Held for Others		212,140.40
Lease Obligations		1,124,721.03
Compensated Absences		1,768,362.23
Total Current Liabilities		11,301,112.81

Noncurrent Liabilities

Lease Obligations		2,001,830.77
Compensated Absences		1,511,216.53
Net OPEB Liability		2,627,989.00
Net Pension Liability		59,020,407.00
Total Noncurrent Liabilities		65,161,443.30
Total Liabilities		76,462,556.11

Deferred Inflows of Resources

Related to Defined Benefit Pension and OPEB Plans		3,820,668.00

NET POSITION

Net Investment in Capital Assets		93,092,769.16
Restricted		
Expendable		1,558,534.00
Unrestricted (Deficit)		(45,012,919.30)
Total Net Position	\$	49,638,383.86

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

EXHIBIT "B"

OPERATING REVENUES

Student Tuition and Fees	\$	21,276,144.77
Less: Allowance for Doubtful Accounts		(44,043.69)
Less: Sponsored Scholarships		(5,701,416.54)
Grants and Contracts		
Federal		200,412.65
Rents and Royalties		576,688.06
Sales and Services		5,523,584.08
Other Operating Revenues		915,942.50
Total Operating Revenues		22,747,311.83

OPERATING EXPENSES

Salaries		37,793,681.73
Employee Benefits		20,129,484.95
Travel		319,019.17
Scholarships and Fellowships		12,007,518.59
Utilities		2,706,169.61
Supplies and Other Services		8,416,461.21
Depreciation and Amortization		5,392,228.27
Total Operating Expenses		86,764,563.53
Operating Loss		(64,017,251.70)

NONOPERATING REVENUES (EXPENSES)

State Appropriations		30,678,800.00
Grants and Contracts		
Revenues		
Federal		27,093,377.70
State		999,350.61
Local		75,885.75
Gifts		1,260,270.49
Investment Income		261.31
Interest Expense (Capital Assets)		(83,763.82)
Other Nonoperating Revenues		168,946.85
Other Nonoperating Expenses		(1,260,270.49)
Net Nonoperating Revenues		58,932,858.40
Loss Before Other Revenues, Expenses, Gains, or Losses		(5,084,393.30)

CAPITAL CONTRIBUTIONS

Capital Grants and Gifts		
State		7,808,289.29
Local		400,000.00
Nongovernmental		54,347.71
Loss on Disposal of Capital Assets		(0.01)
Total Other Revenues, Expenses, Gains, or Losses		8,262,636.99
Change in Net Position		3,178,243.69
Net Position - Beginning of Year		46,460,140.17
Net Position - End of Year	\$	49,638,383.86

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

EXHIBIT "C"

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 15,070,356.21
Grants and Contracts (Exchange)	(423,436.10)
Sales and Services	5,332,606.27
Payments to Suppliers	(28,379,820.24)
Payments to Employees	(37,656,026.37)
Payments for Scholarships and Fellowships	(12,007,518.59)
Short-Term Custodial Fund Receipts	1,353,567.78
Short-Term Custodial Fund Payments	(1,397,635.00)
Other Receipts	887,152.89
Net Cash Used by Operating Activities	<u>(57,220,753.15)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	30,678,800.00
Gifts and Grants Received for Other than Capital Purposes	31,409,009.77
Other Nonoperating Payments	(1,091,323.64)
Net Cash Flows Provided by Noncapital Financing Activities	<u>60,996,486.13</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants and Gifts Received	18,173.90
Purchases of Capital Assets	(3,565,508.57)
Principal Paid on Capital Debt	(1,153,324.69)
Interest Paid on Capital Debt	(83,763.82)
Net Cash Used by Capital and Related Financing Activities	<u>(4,784,423.18)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(178.26)
Earnings on Investments	261.31
Net Cash Provided by Investing Activities	<u>83.05</u>
Net Decrease in Cash	<u>(1,008,607.15)</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,068,697.13</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,060,089.98</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (64,017,251.70)
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities	
Depreciation and Amortization Expense	5,392,228.27
Change in Assets and Liabilities:	
Accounts Receivable, Net	(2,051,039.96)
Prepaid Items	(49,496.03)
Net OPEB Asset	(251,582.00)
Salaries Payable	22,107.61
Accounts Payable	2,821,365.73
Advances (Including Tuition and Fees)	170,407.40
Funds Held for Others	(44,067.22)
Compensated Absences	115,547.75
Net OPEB Liability	(1,522,746.00)
Net Pension Liability	(6,378,542.00)
Change in Deferred Inflows/Outflows of Resources	
Deferred Inflows of Resources	(2,401,052.00)
Deferred Outflows of Resources	10,973,367.00
Net Cash Used by Operating Activities	<u>\$ (57,220,753.15)</u>
NONCASH ACTIVITY	
Fixed Assets Acquired by Incurring Lease Obligations	<u>\$ 244,767.34</u>
Gift of Capital Assets Reducing Proceeds of Capital Grants and Gifts	<u>\$ 8,244,463.10</u>
Loss on Disposal of Capital Assets	<u>\$ (0.01)</u>

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

EXHIBIT "D"

	<u>CUSTODIAL FUNDS</u>
<u>ASSETS</u>	
Current Assets	
Accounts Receivable, Net	
Other	\$ <u>1,153,987.00</u>
<u>LIABILITIES</u>	
Current Liabilities	
Cash Overdraft	822,151.25
Accounts Payable	<u>108,212.41</u>
Total Liabilities	<u>930,363.66</u>
<u>NET POSITION</u>	
Restricted	
Individuals, Organizations, and Other Governments	\$ <u><u>223,623.34</u></u>

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

EXHIBIT "E"

<u>ADDITIONS</u>	<u>CUSTODIAL FUNDS</u>
State Financial Aid	\$ 11,048,869.31
Other Financial Aid	81,842.27
Clubs and Other Organizations Fund Raising	<u>24,969.52</u>
Total Additions	<u>11,155,681.10</u>
<u>DEDUCTIONS</u>	
Scholarships and Other Student Support	10,943,334.31
Student Organizations Support	15,035.97
Other Payments	<u>62,696.00</u>
Total Deductions	<u>11,021,066.28</u>
Net Increase in Fiduciary Net Position	134,614.82
Net Position - Beginning of Year	<u>89,008.52</u>
Net Position - End of Year	\$ <u><u>223,623.34</u></u>

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The College's local board of directors is composed of nine (9) members serving staggered three-year terms who are appointed by the State Board of the Technical College System of Georgia. Appropriation of state funds is made to the Technical College System of Georgia by the General Assembly of Georgia. The System Office of the Technical College System of Georgia determines the amount of state appropriations to be received by the College. The College does not have the authority to retain unexpended state appropriations (surplus) for any given year. Accordingly, the College is considered an organizational unit of the Technical College System of Georgia for financial reporting purposes because of the significance of its legal, operational, and financial relationships as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The accompanying financial statements represent the financial position, changes in financial position and cash flows of only that portion of the business-type activities and fiduciary activities of the State that is attributable to the transactions of the College. These financial statements do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2024, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's Annual Comprehensive Financial Report (ACFR). The most recent State of Georgia ACFR is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

Basis of Accounting and Financial Statement Preparation

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

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

The College reports the following fiduciary activities:

Custodial Funds – Accounts for activities resulting from the College acting as an agent or fiduciary for various governments, companies, clubs or individuals.

New Accounting Pronouncements

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

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections, effective for fiscal years beginning after June 15, 2023. The objectives of this statement are to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The adoption of this statement does not have a significant impact on the financial statements and will be applied prospectively.

Cash and Cash Equivalents

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

Accounts Receivable

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

Capital Assets

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

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

To fully portray capital assets acquired by the College, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to both the Technical Colleges and the Technical College System of Georgia. The GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating GSFIC. The bonds are issued for the purpose of acquiring capital assets and this debt constitutes direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

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

Advances

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

Deferred Outflows of Resources

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

Compensated Absences

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

Noncurrent Liabilities

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

Deferred Inflows of Resources

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

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

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

Pensions and Net Pension Liability

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position, additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by Teachers Retirement System of Georgia and Employees' Retirement

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

System of Georgia. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The College's net position is classified as follows:

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

Restricted Expendable: Includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

Unrestricted: Unrestricted represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the College to meet current expenses for those purposes, except for unexpended state appropriations (surplus) in the amount of \$0.00. Unexpended state appropriations must be refunded to the Office of the State Treasurer.

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

Scholarship Allowances

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

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

NOTE 2: DEPOSITS

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

Combining Statement of Net Position	
Current	
Cash and Cash Equivalents	\$ 1,060,089.98
Short-Term Investments	57,901.87
Statement of Fiduciary Net Position	
Cash and Cash Equivalents	<u>(822,151.25)</u>
	<u>\$ 295,840.60</u>

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

Cash on hand	\$ 2,240.00
Deposits with financial institutions	<u>293,600.60</u>
Total carrying value of deposits - June 30, 2024	<u>\$ 295,840.60</u>

Deposits

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

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

The College participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) sets the collateral requirements

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered Deposits: 25%, 50%, 75%, and 110%. The SDP also provides for collateral levels to be increased to amount of up to 125% if economic or financial conditions warrants. The program lists the type of eligible collateral. The OST approves authorized custodians.

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

At June 30, 2024, the bank balances of the College's deposits totaled \$1,227,607.29. None of these deposits were exposed to custodial risk.

NOTE 3: ACCOUNTS RECEIVABLE

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

	Business-Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 5,743,072.74	\$ -
Federal, State and Private Funds	2,209,451.89	-
Other	362,430.27	1,153,987.00
	8,314,954.90	1,153,987.00
Less: Allowance for Doubtful Accounts	347,319.39	-
Accounts Receivable	\$ 7,967,635.51	\$ 1,153,987.00

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

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

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

	Beginning Balance July 1, 2023	Special Item Transfer	Additions	Reductions	Ending Balance June 30, 2024
Capital Assets, Not Being Depreciated/ Amortized:					
Land and Land Improvements	\$ 5,215,540.00	\$ -	\$ -	\$ -	\$ 5,215,540.00
Construction Work-In-Progress	4,534,643.51	-	9,194,733.96	6,968,424.35	6,760,953.12
Total Capital Assets, Not Being Depreciated/Amortized	<u>9,750,183.51</u>	<u>-</u>	<u>9,194,733.96</u>	<u>6,968,424.35</u>	<u>11,976,493.12</u>
Capital Assets, Being Depreciated/ Amortized:					
Building and Building Improvements	116,148,565.74	-	4,234,013.75	-	120,382,579.49
Improvements Other than Buildings	6,399,161.32	-	2,190,949.00	-	8,590,110.32
Intangible - Right-to-Use, Assets	5,999,254.28	-	244,767.34	-	6,244,021.62
Equipment	26,680,313.05	59,326.41	3,132,986.90	333,157.69	29,539,468.67
Library Collections	2,813,587.32	-	25,712.41	334,481.08	2,504,818.65
Total Assets Being Depreciated/Amortized	<u>158,040,881.71</u>	<u>59,326.41</u>	<u>9,828,429.40</u>	<u>667,638.77</u>	<u>167,260,998.75</u>
Less: Accumulated Depreciation/Amortization:					
Building and Building Improvements	44,780,933.35	-	2,863,475.99	-	47,644,409.34
Improvements Other than Buildings	4,416,870.89	-	156,415.04	-	4,573,285.93
Intangible - Right-to-Use, Assets	2,036,723.15	-	1,168,150.30	-	3,204,873.45
Equipment	24,304,694.09	59,326.41	1,175,513.65	333,157.68	25,206,376.47
Library Collections	2,695,033.51	-	28,673.29	334,481.08	2,389,225.72
Total Accumulated Depreciation/Amortization	<u>78,234,254.99</u>	<u>59,326.41</u>	<u>5,392,228.27</u>	<u>667,638.76</u>	<u>83,018,170.91</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>79,806,626.72</u>	<u>-</u>	<u>4,436,201.13</u>	<u>0.01</u>	<u>84,242,827.84</u>
Capital Assets, Net	<u>\$ 89,556,810.23</u>	<u>\$ -</u>	<u>\$ 13,630,935.09</u>	<u>\$ 6,968,424.36</u>	<u>\$ 96,219,320.96</u>

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

Fiscal Year	Depreciation/ Amortization Expense
2024	\$ 5,392,228.27
2023	\$ 5,107,839.81
2022	\$ 4,784,421.13

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

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

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
Intangible - Right-to-Use Assets				
Building and Building Improvements	\$ 5,610,407.98	\$ -	\$ -	\$ 5,610,407.98
Equipment	388,846.30	244,767.34	-	633,613.64
Total Leased Assets Being Amortized	<u>5,999,254.28</u>	<u>244,767.34</u>	<u>-</u>	<u>6,244,021.62</u>
Less: Accumulated Amortization:				
Building and Building Improvements	1,832,393.82	1,031,045.51	-	2,863,439.33
Equipment	204,329.33	137,104.79	-	341,434.12
Total Accumulated Amortization	<u>2,036,723.15</u>	<u>1,168,150.30</u>	<u>-</u>	<u>3,204,873.45</u>
Intangible - Right-to-Use Assets, Net	<u>\$ 3,962,531.13</u>	<u>\$ (923,382.96)</u>	<u>\$ -</u>	<u>\$ 3,039,148.17</u>

NOTE 5: ADVANCES (INCLUDING TUITION AND FEES)

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

	Current Liabilities
Prepaid Tuition and Fees	<u>\$ 1,510,940.37</u>

NOTE 6: LONG-TERM LIABILITIES

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

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024	Current Portion
Leases					
Lease Obligations	\$ 4,035,109.15	\$ 244,767.34	\$ 1,153,324.69	\$ 3,126,551.80	\$ 1,124,721.03
Other Liabilities					
Compensated Absences	<u>3,164,031.01</u>	<u>4,749,047.62</u>	<u>4,633,499.87</u>	<u>3,279,578.76</u>	<u>1,768,362.23</u>
Total Long-Term Liabilities	<u>\$ 7,199,140.16</u>	<u>\$ 4,993,814.96</u>	<u>\$ 5,786,824.56</u>	<u>\$ 6,406,130.56</u>	<u>\$ 2,893,083.26</u>

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

NOTE 7: DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources reported on the Statement of Net Position as of June 30, 2024, consisted of the following:

	Fiscal Year 2024
Deferred Outflows of Resources	
Deferred Loss on Defined Benefit Pension Plans	\$ 16,985,328.00
Deferred Loss on OPEB Plan	6,000,939.00
Total Deferred Outflows of Resources	\$ 22,986,267.00
Deferred Inflows of Resources	
Deferred Gain on Defined Benefit Pension Plans	\$ 1,078,191.00
Deferred Gain on OPEB Plan	2,742,477.00
Total Deferred Inflows of Resources	\$ 3,820,668.00

NOTE 8: NET POSITION

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

Net Investment in Capital Assets	\$ 93,092,769.16
Restricted for	
Expendable	
Net OPEB Asset	1,558,534.00
Unrestricted	(45,012,919.30)
Total Net Position	\$ 49,638,383.86

NOTE 9: LEASES AND SUBSCRIPTIONS

Lease Obligations

The College leases office space and copiers. Although lease terms may vary, many leases are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. §50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by positive action taken by the College. In addition, these agreements shall terminate if the State does not provide funding, but that is considered a remote possibility. The College's principal and interest payments related to leases for the fiscal year 2024 were \$1,153,324.69 and \$83,763.82 respectively. Interest rate is 2.74%.

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

The following is a summary of the carrying values of intangible right-to-use assets held under lease at June 30, 2024:

Description	Gross Amount (+)	Less: Accumulated Amortization (-)	Net, Capital Assets Held Under Lease Obligations at June 30, 2024 (=)	Outstanding Balance per Lease Schedules at June 30, 2024
Leased Buildings and Building Improvements	\$ 5,610,407.98	\$ 2,863,439.33	\$ 2,746,968.65	\$ 2,832,298.70
Leased Equipment	633,613.64	341,434.12	292,179.52	294,253.10
Total Assets Held Under Lease at June 30, 2024	\$ 6,244,021.62	\$ 3,204,873.45	\$ 3,039,148.17	\$ 3,126,551.80

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

Description	Lessor	Original Principal	Lease Term	Begin Month/Year	End Month/Year	Outstanding Principal
Building - Monroe County	Monroe County	\$ 56,456.78	4 yrs	07/2021	06/2025	\$ 14,487.62
Building - Macon Bookstore	CGTC Foundation	115,320.89	4 yrs	07/2021	06/2025	29,593.00
Building - Jones County	Jones County	152,909.33	5 yrs	07/2021	06/2026	62,776.56
Building - Airport	Macon-Bibb County Industrial Authority	4,366,932.19	6 yrs	07/2021	06/2027	2,256,559.39
Building - Jones Center	CGTC Foundation	918,788.79	4 yrs	07/2022	06/2026	468,882.12
Mail Machine	Pitney Bowes	18,508.79	4 yrs	11/2021	10/2025	-
Vehicle - 2019 Dodge Caravan	Enterprise FM Trust	15,742.25	3 yrs	07/2021	09/2024	-
Vehicle - 2020 Ford F-150	Enterprise FM Trust	20,674.21	3 yrs	07/2021	06/2024	-
Vehicle - 2020 Ford F250	Enterprise FM Trust	23,059.77	3 yrs	08/2021	07/2024	644.96
Vehicle - 2020 Ford Escape	Enterprise FM Trust	23,059.77	3 yrs	08/2021	07/2024	644.96
Vehicle - 2020 Ford Explorer	Enterprise FM Trust	23,059.77	3 yrs	08/2021	07/2024	644.96
Vehicle - 2020 Ford Escape	Enterprise FM Trust	23,059.77	3 yrs	08/2021	07/2024	644.96
Vehicle - 2020 Ford Transit Van	Enterprise FM Trust	15,742.25	3 yrs	10/2021	09/2024	1,320.34
Xerox SC70 Ser #E2B-109244	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Add'l Item Ser #MOB-023120	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox C8035T Ser #2TX-063998	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox D95CP Ser #BG2-959461	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox WC3655S Ser #C4X-014054	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox WC3655S Ser #C4X-014404	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox C8070H Ser #6TB-437875	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox C8055H Ser #8TB-601891	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox C870H Ser #6TB-443910	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox D95CP Ser #BG2-959457	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox B7030H Ser #5DA-841906	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox B7035H Ser #5DA-842893	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox WC5325PT Ser #AE9-577593	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox WC3655S Ser #C4X-014052	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox B7035S Ser #2DA-799713	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox 3655S Ser #C4X-013983	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox B7030H Ser #5DA-842457	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox 3655S Ser #C4X-014403	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox B7030H Ser #5DA-842117	Xerox	2,397.59	2 yrs	11/2021	10/2023	-
Xerox B8065H Ser # 3AG-882139	Xerox	3,068.61	2 yrs	12/2021	11/2023	-
Xerox B8065H Ser # 3AG-882543	Xerox	3,068.61	2 yrs	12/2021	11/2023	-
Xerox C8055H Ser # 8TB-602257	Xerox	3,068.61	2 yrs	12/2021	11/2023	-
Copier - Xerox B7030S Ser # 2DA-799605	Xerox	1,599.13	2 yrs	01/2022	12/2023	-
Xerox B8075H Ser # 3AG-883735	Xerox	2,751.12	2 yrs	02/2022	01/2024	-
Xerox B8075H Ser # 3AG-883736	Xerox	2,751.12	2 yrs	02/2022	01/2024	-
Xerox C8055H Ser # 8TB-611652	Xerox	3,460.91	2 yrs	03/2022	02/2024	-
Xerox D95CP Ser # BG2-481302	Xerox	3,460.91	2 yrs	03/2022	02/2024	-
Xerox B7025S Ser # 2DA-800002	Xerox	3,460.91	2 yrs	03/2022	02/2024	-
Xerox D95CP Ser # BG2-482336	Xerox	9,778.51	3 yrs	08/2021	07/2024	273.50
Xerox B8045H Ser # Y4X-870361	Xerox	3,406.63	3 yrs	10/2021	09/2024	285.72

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

Xerox C7025T Ser # 3UA-224740	Xerox	4,591.85	3 yrs	04/2022	03/2025	1,153.95
Xerox DMP CTRL Ser #NQL-001648	Xerox	4,591.85	3 yrs	04/2022	03/2025	1,153.94
Xerox C9070 Ser # DQP-135097	Xerox	4,591.85	3 yrs	04/2022	03/2025	1,153.94
Xerox C8055H Ser #8TB-652583	Xerox	3,756.58	3 yrs	05/2022	04/2025	1,048.72
Xerox B8045H Ser #Y4X-935289	Xerox	3,756.58	3 yrs	05/2022	04/2025	1,048.72
Xerox B8045H Ser #Y4X-935076	Xerox	3,756.58	3 yrs	05/2022	04/2025	1,048.72
Xerox B8045H Ser #Y4X-935074	Xerox	3,756.58	3 yrs	05/2022	04/2025	1,048.71
Xerox B8045H Ser #Y4X-935079	Xerox	3,756.58	3 yrs	05/2022	04/2025	1,048.71
Xerox B8045H Ser # Y4X-930332	Xerox	4,933.94	4 yrs	08/2021	07/2025	1,345.47
Xerox B7035 Ser # 5DA-856043	Xerox	4,924.91	4 yrs	10/2021	09/2025	1,548.99
Xerox C8170H Ser # EFQ-644534	Xerox	4,924.91	4 yrs	10/2021	09/2025	1,548.98
Xerox B8155H Ser # HQH-263166	Xerox	4,924.91	4 yrs	10/2021	09/2025	1,548.98
Xerox B9100 Ser # EDQ-722544	Xerox	15,306.64	4 yrs	04/2022	03/2026	6,731.52
Xerox C7025T Ser # 3UA-229569	Xerox	3,939.00	5 yrs	07/2021	06/2026	1,586.76
Xerox C8135H Ser # ELQ-587597	Xerox	6,095.89	5 yrs	01/2022	12/2027	4,330.67
Xerox C8134H Ser # ELQ-519500	Xerox	6,095.89	5 yrs	01/2022	12/2027	4,330.67
Xerox C8170H Ser # EFQ-265801	Xerox	6,095.89	5 yrs	01/2022	12/2027	4,330.67
Xerox C8145H Ser # EHQ-241646	Xerox	5,697.79	5 yrs	04/2023	03/2028	4,324.92
Xerox B8155H Ser # HQH-807772	Xerox	6,430.31	5 yrs	02/2023	01/2028	4,672.68
Xerox B7135H Ser # QPA-083800	Xerox	6,430.31	5 yrs	02/2023	01/2028	4,672.68
Xerox C8170H Ser # EFQ-270731	Xerox	6,430.31	5 yrs	02/2023	01/2028	4,672.68
Xerox C8145H Ser # EHQ-243264	Xerox	6,430.31	5 yrs	02/2023	01/2028	4,672.68
Xerox C8145H Ser # EHQ-370992	Xerox	6,430.31	5 yrs	02/2023	01/2028	4,672.68
Xerox C8170H Ser # EFQ-270561	Xerox	6,430.31	5 yrs	02/2023	01/2028	4,672.67
Xerox B8155H Ser # HQH-807758	Xerox	6,430.31	5 yrs	02/2023	01/2028	4,672.67
Xerox C8145H Ser # EHQ-382739	Xerox	5,632.49	5 yrs	07/2023	06/2028	4,556.39
Canon Copiers (x20)	Canon	175,084.57	5 yrs	11/2023	10/2028	152,752.05
Canon 359iF Ser #4HU02208	Canon	2,865.93	5 yrs	01/2024	12/2028	2,590.75
Canon Copiers (x2)	Canon	24,069.33	5 yrs	02/2024	01/2029	22,136.40
Canon Copiers (x3)	Canon	37,115.07	5 yrs	03/2024	02/2029	34,716.34
Total Leases		\$ 6,244,021.62				\$ 3,126,551.80

Future Commitments

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

	Principal	Interest
Year Ending June 30:		
2025	\$ 1,124,721.03	\$ 61,527.95
2026	1,087,706.44	35,924.63
2027	833,900.21	12,998.83
2028	59,307.24	1,395.69
2029	20,916.88	154.48
Total Minimum Lease Payments	\$ 3,126,551.80	\$ 112,001.58

NOTE 10: RETIREMENT PLANS

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

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

General Information about the Teachers Retirement System

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

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

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2024. The College's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of annual payroll. College contributions to TRS were \$2,717,503.00 for the year ended June 30, 2024.

General Information about the Employees' Retirement System

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

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.

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

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

Contributions: Member contributions under the old plan are 4% of annual compensation, up to \$4,200.00, plus 6% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The College's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The College's contributions to ERS totaled \$4,903,160.00 for the year ended June 30, 2024. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2024, the College reported a liability for its proportionate share of the net pension liability for TRS and ERS totaling \$59,020,407.00. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The College's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2023. At June 30, 2023, the College's TRS proportion was 0.088891%, which was a decrease of 0.001925% from its proportion measured as of June 30, 2022. At June 30, 2023, the College's ERS proportion was 0.549417%, which was an increase of 0.011730% from its proportion measured as of June 30, 2022.

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

For the year ended June 30, 2024, the College recognized pension expense of \$4,597,413.00 for TRS and \$8,921,605.00 for ERS. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,332,657.00	\$ 108,512.00	\$ 497,871.00	\$ 76,803.00
Changes of assumptions	2,699,989.00	-	1,261,192.00	-
Net difference between projected and actual earnings on pension plan investments	1,845,842.00	-	1,335,182.00	-
Changes in proportion and differences between College contributions and proportionate share of contributions	-	892,876.00	391,932.00	-
College contributions subsequent to the measurement date	<u>2,717,503.00</u>	<u>-</u>	<u>4,903,160.45</u>	<u>-</u>
Total	<u>\$ 8,595,991.00</u>	<u>\$ 1,001,388.00</u>	<u>\$ 8,389,337.45</u>	<u>\$ 76,803.00</u>

The College's contributions subsequent to the measurement date for TRS and for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2025	\$ 1,281,160.00	\$ 1,722,270.00
2026	\$ 851,898.00	\$ (370,490.00)
2027	\$ 3,432,447.00	\$ 2,668,134.00
2028	\$ (688,405.00)	\$ (610,540.00)

Actuarial Assumptions: The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

Inflation	2.50%
Salary increases	3.00 – 8.75%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Cost-of-living adjustment	1.50% semi-annually

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System:

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

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

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		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return*	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.90%	30.00%	0.90%
Domestic large stocks	46.30%	9.40%	46.30%	9.40%
Domestic small stocks	1.20%	13.40%	1.20%	13.40%
International developed market stocks	12.30%	9.40%	12.30%	9.40%
International emerging market stocks	5.20%	11.40%	5.20%	11.40%
Alternative	5.00%	10.50%	5.00%	10.50%
Total	100.00%		100.00%	

* Rates shown are net of inflation

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

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

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

Teachers Retirement System:	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
College's proportionate share of the net pension liability	\$ 41,495,514.00	\$ 26,244,441.00	\$ 13,789,887.00
Employees' Retirement System:	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	\$ 44,975,457.00	\$ 32,775,966.00	\$ 22,509,702.00

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

NOTE 11: RISK MANAGEMENT

Public Entity Risk Pool

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

Other Risk Management

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks. The College, as an organizational unit of the Technical College System of Georgia, is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

NOTE 12: CONTINGENCIES

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

Litigation, claims and assessments filed against the College, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

NOTE 13: POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

General Information about the State OPEB Fund

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

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

Contributions: As established by the Board, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the College were \$4,136,947.00 for the year ended June 30, 2024. Active employees are not required to contribute to the State OPEB Fund.

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

At June 30, 2024, the College reported a liability of \$2,627,989.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2022. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The College's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the College's proportion was 0.927168%, which was an increase of 0.003382% from its proportion measured as of June 30, 2022.

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

For the year ended June 30, 2024, the College recognized a credit to OPEB expense of \$1,248,327.00. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 90,279.00	\$ 2,730,514.00
Changes of assumptions	1,293,305.00	11,963.00
Net difference between projected and actual earnings on OPEB plan investments	188,672.00	-
Changes in proportion and differences between contributions and proportionate share of contributions	193,627.00	-
Contributions subsequent to the measurement	4,136,947.00	-
Total	\$ 5,902,830.00	\$ 2,742,477.00

The College's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2025	\$ (1,077,859.00)
2026	\$ (165,091.00)
2027	\$ 465,430.00
2028	\$ (199,074.00)

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

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

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

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

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

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

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

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	1.50%
Equities	70.00%	9.40%
Total	100.00%	

* Net of inflation

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB liability	\$ 4,709,715.00	\$ 2,627,989.00	\$ 834,381.00

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$ 548,734.00	\$ 2,627,989.00	\$ 5,069,471.00

OPEB Plan Fiduciary Net Position

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

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

General Information about the SEAD-OPEB Fund

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

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

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

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

At June 30, 2024, the College reported an asset of \$1,558,534.00 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2022. An expected total OPEB asset as of June 30, 2023 was determined using standard roll-forward techniques. The College's proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2023. At June 30, 2023, the College's proportion was 0.353405%, which was a decrease of 0.002144% from its proportion measured as of June 30, 2022.

**CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024**

EXHIBIT "F"

For the year ended June 30, 2024, the College recognized a credit to OPEB expense of \$93,238.00. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SEAD - OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,955.00	\$ -
Net difference between projected and actual earnings on OPEB plan investments	84,234.00	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,920.00	-
Total	\$ 98,109.00	\$ -

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

Year Ended June 30:	SEAD - OPEB
2025	\$ 1,598.00
2026	\$ (28,735.00)
2027	\$ 164,114.00
2028	\$ (38,868.00)

Actuarial Assumptions: The total OPEB asset as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

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

CENTRAL GEORGIA TECHNICAL COLLEGE
RELATED FINANCIAL NOTES
JUNE 30, 2024

EXHIBIT "F"

Mortality rates are as follows:

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Fixed income	30.00%	0.20%
Domestic large equities	46.30%	9.40%
Domestic small equities	1.20%	13.40%
International developed market equities	12.30%	9.40%
International emerging market equities	5.20%	11.40%
Alternatives	5.00%	10.50%
Total	100.00%	

* Rates shown are net of inflation

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

CENTRAL GEORGIA TECHNICAL COLLEGE
 RELATED FINANCIAL NOTES
 JUNE 30, 2024

EXHIBIT "F"

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net OPEB asset	\$ 1,098,729.00	\$ 1,558,534.00	\$ 1,935,885.00

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

Supplementary Information

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

SCHEDULE "1"

ASSETS

Cash and Cash Equivalents	\$	922,430.47
Investments		57,901.87
Accounts Receivable		
Federal Financial Assistance		1,089,205.03
Other		7,696,144.60
Prepaid Expenditures		71,862.92
		71,862.92
Total Assets	\$	9,837,544.89

LIABILITIES AND FUND BALANCES

Liabilities		
Salaries Payable	\$	48,622.86
Benefits Payable		16,591.62
Accounts Payable		6,166,033.61
Encumbrance Payable		1,273,186.29
Advances		1,409,221.06
Funds Held for Others		49,836.05
		49,836.05
Total Liabilities		8,963,491.49
Fund Balances		
Reserved		
Prior Year Local Funds		109,067.54
Continuing Education		95,500.00
Uncollectible Accounts Receivable		347,319.39
Tuition		322,166.47
		322,166.47
Total Fund Balances		874,053.40
Total Liabilities and Fund Balances	\$	9,837,544.89

Statutory Basis financial information was prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

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

SCHEDULE "2"

	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
State Appropriation			
State General Funds	\$ 30,678,800.00	\$ 30,678,800.00	\$ -
Federal Funds	12,090,259.48	8,981,880.49	(3,108,378.99)
Other Funds	38,618,098.05	34,554,504.38	(4,063,593.67)
Total Revenues	81,387,157.53	74,215,184.87	(7,171,972.66)
<u>ADJUSTMENTS AND PROGRAM TRANSFERS</u>			
	-	-	-
<u>CARRY-OVER FROM PRIOR YEAR</u>			
Transfer from Reserved Fund Balance	-	2,562,538.12	2,562,538.12
Total Funds Available	81,387,157.53	76,777,722.99	(4,609,434.54)
<u>EXPENDITURES</u>			
Adult Literacy	4,302,307.88	4,200,945.40	101,362.48
Economic Development	3,265,700.67	3,030,190.85	235,509.82
Technical Education	73,722,348.98	69,064,979.80	4,657,369.18
Workforce Development	96,800.00	6,457.00	90,343.00
Total Expenditures	81,387,157.53	76,302,573.05	5,084,584.48
Excess of Funds Available over Expenditures	\$ -	475,149.94	\$ 475,149.94
<u>FUND BALANCE JULY 1</u>			
Reserved		2,865,813.82	
<u>ADJUSTMENTS</u>			
Prior Year Payables/Expenditures		108,389.57	
Prior Year Receivables/Revenues		(12,761.81)	
Prior Year Reserved Fund Balance Included in Funds Available		(2,562,538.12)	
<u>FUND BALANCE JUNE 30</u>		\$ 874,053.40	
<u>SUMMARY OF FUND BALANCE</u>			
Reserved			
Prior Year Local Funds	\$	109,067.54	
Continuing Education		95,500.00	
Uncollectible Accounts Receivable		347,319.39	
Tuition		322,166.47	
Total Fund Balance	\$	874,053.40	

Statutory Basis financial information was prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

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

SCHEDULE "3"

	Original Appropriation	Amended Appropriation	Final Budget	Current Year Revenues
Adult Literacy				
State Appropriation				
State General Funds	\$ 1,096,214.00	\$ 1,123,513.00	\$ 1,123,513.00	\$ 1,123,513.00
Federal Funds				
Federal Funds Not Specifically Identified	1,592,250.00	1,600,000.00	1,643,800.00	1,592,250.00
Other Funds	1,025,802.00	1,025,802.00	1,534,994.88	1,485,182.40
Total Adult Literacy	3,714,266.00	3,749,315.00	4,302,307.88	4,200,945.40
Technical Education				
State Appropriations				
State General Funds	28,155,630.00	29,133,300.00	29,133,300.00	29,133,300.00
State General Funds - MRR	933,018.00	-	-	-
Federal Funds				
Federal Funds Not Specifically Identified	4,205,032.00	4,205,032.00	9,690,359.52	6,770,963.35
CARES Act - Higher Education	-	-	593,219.96	592,219.96
Other Funds	28,879,070.00	25,490,187.00	34,305,469.50	31,929,158.43
Total Technical Education	62,172,750.00	58,828,519.00	73,722,348.98	68,425,641.74
Workforce Development				
Federal Funds				
Federal Funds Not Specifically Identified	15,600.00	-	-	-
CARES Act - Higher Education	-	-	96,800.00	6,457.00
Other Funds	60,000.00	-	-	-
Total Workforce Development	75,600.00	-	96,800.00	6,457.00
Economic Development				
State Appropriation				
State General Funds	-	421,987.00	421,987.00	421,987.00
Federal Funds				
Federal Funds Not Specifically Identified	116,277.00	-	66,080.00	19,990.18
Other Funds	3,245,959.00	3,245,959.00	2,777,633.67	1,140,163.55
Total Economic Development	3,362,236.00	3,667,946.00	3,265,700.67	1,582,140.73
Totals by Program	\$ 69,324,852.00	\$ 66,245,780.00	\$ 81,387,157.53	\$ 74,215,184.87

Statutory Basis financial information was prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

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

SCHEDULE "3"

Funds Available Compared to Budget				Expenditures Compared to Budget		Excess of Funds Available Over Expenditures
Prior Year Carry-Over	Adjustments and Program Transfers	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive	
\$ -	\$ -	\$ 1,123,513.00	\$ -	\$ 1,123,513.00	\$ -	\$ -
-	-	1,592,250.00	(51,550.00)	1,592,250.00	51,550.00	-
-	-	1,485,182.40	(49,812.48)	1,485,182.40	49,812.48	-
-	-	4,200,945.40	(101,362.48)	4,200,945.40	101,362.48	-
-	-	29,133,300.00	-	29,133,300.00	-	-
-	-	-	-	-	-	-
-	-	6,770,963.35	(2,919,396.17)	6,770,963.35	2,919,396.17	-
-	-	592,219.96	(1,000.00)	592,219.96	1,000.00	-
1,014,445.50	-	32,943,603.93	(1,361,865.57)	32,568,496.49	1,736,973.01	375,107.44
1,014,445.50	-	69,440,087.24	(4,282,261.74)	69,064,979.80	4,657,369.18	375,107.44
-	-	-	-	-	-	-
-	-	6,457.00	(90,343.00)	6,457.00	90,343.00	-
-	-	-	-	-	-	-
-	-	6,457.00	(90,343.00)	6,457.00	90,343.00	-
-	-	421,987.00	-	421,987.00	-	-
-	-	19,990.18	(46,089.82)	19,990.18	46,089.82	-
1,548,092.62	-	2,688,256.17	(89,377.50)	2,588,213.67	189,420.00	100,042.50
1,548,092.62	-	3,130,233.35	(135,467.32)	3,030,190.85	235,509.82	100,042.50
\$ 2,562,538.12	\$ -	\$ 76,777,722.99	\$ (4,609,434.54)	\$ 76,302,573.05	\$ 5,084,584.48	\$ 475,149.94

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

SCHEDULE "4"

	<u>Beginning Fund Balance July 1</u>	<u>Fund Balance Carried Over from Prior Period as Funds Available</u>	<u>Return of Fiscal Year 2023 Surplus</u>	<u>Prior Period Adjustments</u>
Adult Literacy				
Other Funds	\$ -	\$ -	\$ -	\$ 3,928.56
Technical Education				
Federal Funds				
Federal Funds Not Specifically Identified	-	-	-	7,525.98
CARES Act - Higher Education	-	-	-	2,419.96
Other Funds	<u>1,014,445.50</u>	<u>(1,014,445.50)</u>	<u>-</u>	<u>86,295.76</u>
Total Technical Education	<u>1,014,445.50</u>	<u>(1,014,445.50)</u>	<u>-</u>	<u>96,241.70</u>
Economic Development				
Other Funds	<u>1,548,092.62</u>	<u>(1,548,092.62)</u>	<u>-</u>	<u>(4,542.50)</u>
Total Operating Activity	2,562,538.12	(2,562,538.12)	-	95,627.76
Prior Year Reserves				
Not Available for Expenditure				
Other Reserves	<u>303,275.70</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals by Program	<u>\$ 2,865,813.82</u>	<u>\$ (2,562,538.12)</u>	<u>\$ -</u>	<u>\$ 95,627.76</u>

Statutory Basis financial information was prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

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

SCHEDULE "4"

Other Adjustments	Early Return of Fiscal Year 2024 Surplus	Excess of Funds Available Over Expenditures	Ending Fund Balance June 30	Analysis of Ending Fund Balance		
				Reserved	Fiscal Year 2024 Surplus	Total
\$ (3,928.56)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7,525.98)	-	-	-	-	-	-
(2,419.96)	-	-	-	-	-	-
(30,169.19)	-	375,107.44	431,234.01	431,234.01	-	431,234.01
(40,115.13)	-	375,107.44	431,234.01	431,234.01	-	431,234.01
-	-	100,042.50	95,500.00	95,500.00	-	95,500.00
(44,043.69)	-	475,149.94	526,734.01	526,734.01	-	526,734.01
44,043.69	-	-	347,319.39	347,319.39	-	347,319.39
\$ -	\$ -	\$ 475,149.94	\$ 874,053.40	\$ 874,053.40	\$ -	\$ 874,053.40

Summary of Ending Fund Balance

Reserved			
Prior Year Local Funds	\$ 109,067.54	\$ -	\$ 109,067.54
Continuing Education	95,500.00	-	95,500.00
Uncollectible Accounts Receivable	347,319.39	-	347,319.39
Tuition	322,166.47	-	322,166.47
Unreserved			
Surplus	-	-	-
Total Ending Fund Balance - June 30	\$ 874,053.40	\$ -	\$ 874,053.40

Section II

Entity's Response To Prior Year Findings And Questioned Costs

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

PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section III

Findings, Questioned Costs and Other Items

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

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2024-001 Improve Controls over the Awarding Process

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
AL Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Loans
Federal Award Numbers:	P007A237757 (Year: 2024), P033A237757 (Year: 2024), P063P232783 (Year: 2024), P268K242783 (Year: 2024)
Questioned Costs:	\$3,998

Description:

The Central Georgia Technical College Student Financial Aid Office improperly awarded Student Financial Assistance amounts to ineligible students.

Background Information:

To receive student financial assistance (SFA), students must complete a Free Application for Federal Student Aid (FAFSA). Once the FAFSA is processed, an Institutional Student Information Record (ISIR) is provided to Central Georgia Technical College (Technical College). Among other things, the ISIR contains the applicant's Expected Family Contribution (EFC) and helps determine student eligibility, award amounts, and disbursements.

The following types of SFA was awarded and disbursed to students at the Technical College:

- *Federal Pell Grant (Pell)* – The Pell program provides grants to eligible students enrolled in eligible undergraduate programs and certain eligible post-baccalaureate teacher certificate programs and is intended to provide the foundation of financial aid. Maximum and minimum Pell awards are established by statute, but the amount for which each student is eligible is based on Pell Grant Payment and Disbursement Schedules published every year by the U.S. Department of Education (ED).
- *Federal Supplemental Educational Opportunity Grants (FSEOG)* – The FSEOG program provides grants to eligible undergraduate students. Priority for FSEOG awards is given to Pell recipients who have the lowest EFC.

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

- *Federal Work-Study (FWS)* – The FWS program provides part-time employment to eligible undergraduate and graduate students who need earnings to help meet the costs of postsecondary education.
- *Federal Direct Student Loans* – The Direct Loan Program makes Direct Subsidized Loans and Direct Unsubsidized Loans to eligible students, and Direct PLUS Loans to eligible graduate or professional students or to eligible parents of eligible dependent undergraduate students, to pay for the cost of attending postsecondary educational institutions. Each student’s ISIR, along with other information, is used by the Institution to originate the student’s Direct Loan.

Once financial aid is awarded and disbursed to students, those students are required to maintain satisfactory academic progress (SAP) as defined by the Technical College’s published standards. These published standards must include a review of a qualitative component, which is typically based upon grade point average (GPA), and a quantitative component, which is based upon successful completion of attempted coursework at a specified pace within a maximum timeframe. SAP must be evaluated at least once per academic year, and if at the time of each evaluation, the student has not maintained SAP, they are no longer eligible to receive SFA.

Criteria:

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

All ED SFA programs are authorized by Title IV of the Higher Education Act (HEA) of 1965, as amended (20 USC 1001 *et seq.*). In addition, provisions included in Title 34 CFR Section 668 provide general provisions for administering SFA programs and Title 34 CFR Sections 675, 676, 685, and 690 provide eligibility and other related program requirements that are specific to the FWS Program, FSEOG Program, Federal Direct Student Loans Program, and Federal Pell Grant Program, respectively.

Condition:

A sample of 40 students from a population of 4,938 students who received student financial assistance funds was randomly selected for testing using a non-statistical sampling method. Student financial assistance files were reviewed to ensure that financial assistance was properly calculated and disbursed to eligible students. Auditors noted that two students were not in compliance with the Technical College’s published Satisfactory Academic Progress (SAP) policies as follows:

- One student did not meet the qualitative requirement of SAP and was placed on Warning status instead of Suspension status. Because the student did not return for the subsequent semester, this deficiency did not result in the over disbursement of funds.
- One student did not meet the quantitative requirement of SAP, which resulted in over disbursements totaling \$3,998.

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

Questioned Costs:

Upon testing a sample of \$137,191 in financial aid disbursements, known questioned costs of \$3,998 were identified for the students who received student financial assistance in excess of their eligibility. Using the total population amount of \$27,605,503, we project the likely questioned costs to be approximately \$804,476. The following assistance listing numbers were affected by the known and likely questioned costs: 84.007 and 84.063.

Cause:

In discussing these deficiencies with management, they stated that the timing of SAP processing in the student information system led to the incorrect SAP assessments for those students who had a significant break in enrollment and those who registered for classes later than usual.

Effect or Potential Effect:

This deficiency may expose the Technical College to unnecessary financial strains and shortages. The funds disbursed to students in excess of their eligibility must be returned to ED. Though the Technical College may attempt to collect the funds from individual students affected by the error, these collection efforts could be unsuccessful as the students may no longer attend the Technical College and/or fail to repay the funds. Additionally, the Technical College was not in compliance with federal regulations concerning awarding of SFA funds to students.

Recommendation:

The Technical College should review its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the Technical College should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with federal requirements. Additionally, the Technical College should develop and implement a monitoring process to ensure that controls are functioning properly. The Technical College should also contact ED regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

OTHER ITEMS

No matters were reported.

Section IV

Management's Corrective Action

CORRECTIVE ACTION PLANS - FEDERAL AWARD FINDINGS

FA-2024-001 Improve Controls over the Awarding Process

Compliance Requirement: Eligibility
Internal Control Impact: Significant Deficiency
Compliance Impact: Nonmaterial Noncompliance
Federal Awarding Agency: United States Department of Education
Pass-Through Entity: None
AL Numbers and Titles: 84.007 - Federal Supplemental Educational Opportunity Grants
84.063 - Federal Pell Grant Program
84.268 - Federal Direct Student Loans
84.033 - Federal Work-Study Program Federal
Federal Award Numbers: P007A237757 (Year:2024), P033A237757 (Year:20224)
P268K242783 (Year:2024), P063P232783 (Year:2024)
Questioned Costs: \$3,998
Repeat of Prior Year Finding: No

Description:

The Central Georgia Technical College Student Financial Aid Office improperly awarded Student Financial Assistance amounts to ineligible students.

Corrective Action Plans:

The student in question had a lengthy break in enrollment (2015-2024). When the student returned, CGTC's Banner rules differed from his previous enrollment and his status was not accurately updated within the correct term.

To correct the issue, CGTC has worked with colleagues at the Technical College System of Georgia to identify and correct any discrepancies in the Banner rules for the Satisfactory Academic Progress (SAP) process to prevent future occurrences of this issue. The College's Financial Aid office has identified the "cutoff" year for changes in SAP rules and has developed a procedure to manually review any students with long breaks in enrollment whose last enrollment occurred prior to the identified cutoff. This review process will help to ensure that students' SAP status is accurately updated in the correct term.

Estimated Completion Date: November 14, 2024

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Signature:

Suan H. Allen

Title:

President