HORRY - GEORGETOWN TECHNICAL COLLEGE

CONWAY, SOUTH CAROLINA

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS AND SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2023

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA

Table of Contents

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA

Table of Contents

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA
AUDIT PERIOD
JULY 1, 2022 THROUGH JUNE 30, 2023

AREA COMMISSIONERS

Name	Office	Term Expires	County
Joe Thomas Branyon, Jr.	Chairman	07-01-2024	Georgetown
Robert P. Hucks, II	Vice-Chairman	07-01-2024	Horry
Orrie E. West	Secretary	07-01-2023	Horry
Y. Melvin Nobles		07-01-2023	Horry
Fedrick D. Cohens		07-01-2024	Georgetown
Robert J. Farrar		07-01-2023	Horry
Jon David McMillan		07-01-2024	Georgetown
Brent D. Groome		07-01-2024	Horry

EXECUTIVE STAFF

Dr. Marilyn J. Fore	College President
Dr. Melissa R. Batten	Vice President for Student Affairs
Mr. Harold N. Hawley	Vice President for Finance and Administration
Dr. Jennifer Wilbanks	Executive Vice President for Academic and Workforce Development
Ms. Jackie S. Snyder	Vice President for Human Resources
Ms. Lori A. Heafner	Vice President for Institutional Effectiveness and Development
Ms. Lari B. Roper	Director for Marketing
Ms. Nicole P. Hyman	Public Relations Director
Mr. Terry Quaresimo	Associate Vice President for Technology Solutions

AREA SERVED

Horry County
Georgetown County

COUNTIES PROVIDING FINANCIAL SUPPORT

Horry County
Georgetown County

Robert D. Harper, Jr. CPA
Robin B. Poston CPA

HARPER, POSTON & MOREE, P.A.
Certified Public Accountants
"SINCE 1977"

Stacey C. Moree CPA
Wyndie B. Moree CPA

INDEPENDENT AUDITOR'S REPORT

Horry – Georgetown Commission for Technical Education
Horry – Georgetown Technical College
Conway, South Carolina

Opinions

We have audited the accompanying financial statements of Horry – Georgetown Technical College, a component unit of the State of South Carolina, as of and for the years ended June 30, 2023 and June 30, 2022 and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Horry – Georgetown Technical College, as of June 30, 2023 and June 30, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Horry – Georgetown Technical College Educational Foundation, Inc. which represents 100 percent of the discretely presented component unit presented in the financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements insofar as it relates to the amounts included for Horry – Georgetown Technical College Educational Foundation, Inc. as a discretely presented component unit, is based solely on the report of other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Horry – Georgetown Technical College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

GEORGETOWN
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MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

PAWLEYS ISLAND
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
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E-mail: Pawleys@hpmcpa.com

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Horry – Georgetown Technical College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Horry – Georgetown Technical College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Horry – Georgetown Technical College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023 the College adopted new accounting guidance, GASB 96, *Subscription based Information Technology.* Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and supplementary pension information and supplementary OPEB information on pages 55 through 63 be presented to supplement the basic financial statements. Such information, although not a 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Horry – Georgetown Technical College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our report and the report of other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued out report dated September 28, 2023, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Report on State Lottery Assistance Program

We have also issued our report dated September 28, 2023 on our consideration of Horry – Georgetown Technical College's administration of the State Lottery Assistance Program and on our tests of its compliance with certain provisions of state law and policy 3-2-307 and procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

Report on State Supported Scholarship and Grants

We have also issued our report dated September 28, 2023 on our consideration of Horry – Georgetown Technical College's administration of the state supported scholarships and grants and on our tests of its compliance with certain provisions of the state legislation and the regulations of the South Carolina Commission on Higher Education.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
September 28, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Horry-Georgetown Technical College offer users and other readers of the College's financial statements this narrative overview and analysis of its financial activities for the fiscal years ended June 30, 2023 and June 30, 2022. This discussion and analysis should be read in conjunction with the consolidated financial statements and the footnotes thereto, which follow this section.

The financial statement presentation format provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows. The financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and discloses any debt obligations.

The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of College activities which are supported substantially by property taxes, state allocations, state and federal grants and contracts, student tuition and fees and auxiliary enterprise revenues. This approach is intended to summarize and simplify an analysis of costs for various College services to students and the public.

As additional information, financial statements for the Horry-Georgetown Technical College Foundation (the Foundation) are also included. All financial activities and balances of the Foundation are disclosed as a discretely presented component unit.

Financial Highlights

- The College experienced a strong year financially as evidenced by a substantial increase in net assets from $93,782,601 (restated) to $100,273,857, or by $6,491,256 or approximately 6.92%.
- The College is in the midst of a multi-year capital improvement initiative that includes refurbishing and expanding existing buildings and improving its information technology infrastructure. These capital improvements are financed by College Funds, State and Local funding, private donations, and the local Educational Capital Improvement Sales and Use (Penny) Tax.
- In spite of the economic uncertainties associated with a post pandemic environment and ongoing enrollment pressure as part of national trends, the College was able to significantly increase its net assets during the year, thus providing overwhelming evidence of its financial strength and overall fiscal health.
- The College continued to administer and otherwise use its allocation of the Federal Higher Education Emergency Relief Funds (HEERF) during the year as described herein. The College also received proceeds associated with the Employee Retention Credit during the year which contributed to increases in its cash position.

Overview of the Financial Statements

The College is engaged only in Business-Type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position presents the financial position of the College at the end of the current fiscal year and classifies assets and liabilities into current and non-current. The difference between total assets and total liabilities is net position, which is displayed in three broad categories: Investment in Capital Assets (net of related debt); Restricted Assets; and Unrestricted Assets. Net Position is one indicator of the current financial condition of the College, while the change in Net Position is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Position is a statement of net income with an entity-wide perspective. Revenues and expenses are categorized by operating and non-operating, and expenses are reported by object type.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, non-capital financing, and investing activities. This statement also emphasizes the College's dependence on state and county appropriations by separating them from operating cash flows.

Financial Analysis

In addition to the financial information, charts and graphs are provided to enhance an understanding of the institution's financial condition and related changes from the prior fiscal year.

Net Position
For the Years Ended June 30,

	2023	2022	Increase (Decrease)	Percent Change
Current assets	$ 71,482,094	$ 70,569,272	$ 912,822	1.29%
Non-current assets				
Capital assets, net of depreciation	$ 86,982,851	$ 86,408,564	$ 574,287	0.66%
Other	$ 38,536,472	$ 32,893,850	$ 5,642,622	17.15%
Deferred outflow of resources	$ 17,747,784	$ 20,369,578	$ (2,621,794)	(12.87%)
Total assets and deferred outflow	$ 214,749,201	$ 210,241,264	$ 4,507,937	2.14%
Current liabilities	$ 11,541,210	$ 11,012,659	$ 528,551	4.80%
Non-current liabilities	$ 2,307,191	$ 2,045,848	$ 261,343	12.73%
Net Pension and OPEB Liability	$ 83,279,412	$ 93,351,766	$ (10,072,354)	(10.79%)
Deferred inflow of resources	$ 17,347,531	$ 10,048,390	$ 7,299,141	72.64%
Total liabilities and deferred inflow	$ 114,475,344	$ 116,458,663	$ (1,983,319)	(1.70%)
Investment in capital assets, Net of Related debt	$ 86,050,934	$ 85,831,595	$ 219,339	0.26%
Restricted for Capital Projects	$ 36,398,112	$ 29,539,931	$ 6,858,181	23.22%
Restricted Other	$ 256,965	$ 964,314	$ (707,349)	(73.35%)
Unrestricted	$ (22,432,154)	$ (22,553,239)	$ 121,085	(0.54%)
Total Net Position	$ 100,273,857	$ 93,782,601	$ 6,491,256	6.92%

The previous schedule is prepared from the College's Statement of Net Position, which is presented using an accrual basis of accounting, whereby assets are capitalized and depreciated. Total assets and deferred outflows increased by $4,507,937 or approximately 2.14% over the prior year primarily due to changes in pension and benefit related outflows. The increase in total assets was also due to an increase in cash and accounts receivable associated with the Federal Higher Education Emergency Relief (HEERF) funding due the College, and increased receipts from the local Penny Tax.

The increase in total assets was offset by a decrease in total liabilities and deferred inflows of $1,983,319 or 1.70%. The decrease in total liabilities was largely due to increased pension and benefit related obligations.

The increase in net position of $6,491,256 or 6.92% over the year provides overwhelming evidence of the College's overall financial strength and economic well-being.

Operating Results for the Years Ended
For the Years Ended June 30,

		2023		2022		Increase (Decrease)	Percent Change
Operating Revenue							
Tuition and Fees	$	18,257,044	$	17,920,411	$	336,633	1.88%
Federal and State Contracts	$	21,744,523	$	15,556,755	$	6,187,768	39.78%
Auxiliary	$	317,488	$	427,273	$	(109,785)	(25.69%)
Other	$	435,853	$	561,269	$	(125,416)	(22.35%)
Total Operating Revenue	$	40,754,908	$	34,465,708	$	6,289,200	18.25%
Less Operating Expenses	$	84,577,685	$	83,845,549	$	732,136	0.87%
Net Operating Income (Loss)	$	(43,822,777)	$	(49,379,841)	$	5,557,064	11.25%
Non-Operating Revenue (Expenses)							
State Appropriations	$	16,545,244	$	13,165,424	$	3,379,820	25.67%
Horry County	$	4,500,000	$	4,000,000	$	500,000	12.50%
Georgetown County	$	465,000	$	465,000	$	-	0.00%
Other	$	20,211,760	$	32,500,536	$	(12,288,776)	(37.81%)
Total Non-Operating Revenue (Expenses)	$	41,722,004	$	50,130,960	$	(8,408,956)	(16.77%)
Capital Grants and Gifts	$	8,592,029	$	7,344,708	$	1,247,321	16.98%
Increase in Net Position	$	6,491,256	$	8,095,827	$	(1,604,571)	(19.82%)
Net Position - Beginning of Year (Restated)	$	93,782,601	$	85,686,774	$	8,095,827	9.45%
Net Position - End of Year	$	100,273,857	$	93,782,601	$	6,491,256	6.92%

As shown above, the College experienced a substantial increase in its net position (or net assets) during fiscal year 2023 in the amount of $6,491,256 or 6.92%. The change in net assets was largely attributed to increased operating revenues due to increased enrollment driven by the Federal Higher Education Emergency Relief Funding (HEERF) Scholarships offered by the College. The change in net assets was also due to increased state appropriations of $3.37 million over the prior year.

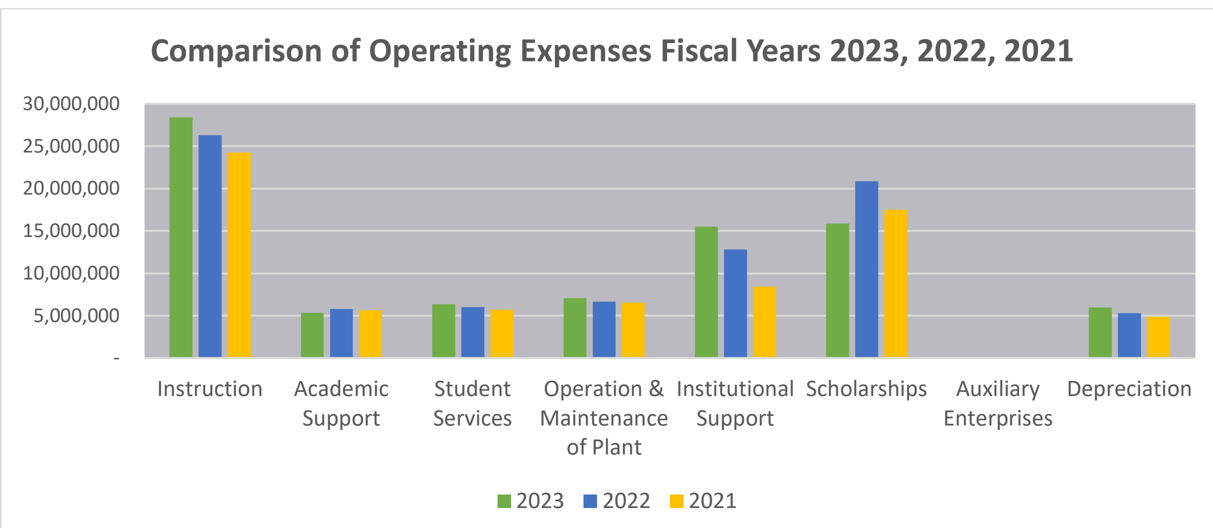
Operating expenses increased approximately $732,000 in fiscal year 2023 due largely to increases in salaries associated with the higher enrollment levels over the prior year. The increased cost of supplies and services and increases in depreciation expense also contributed to the rise total operating expenses.

The following is a multi-year graphical trend of operating expenses by function.

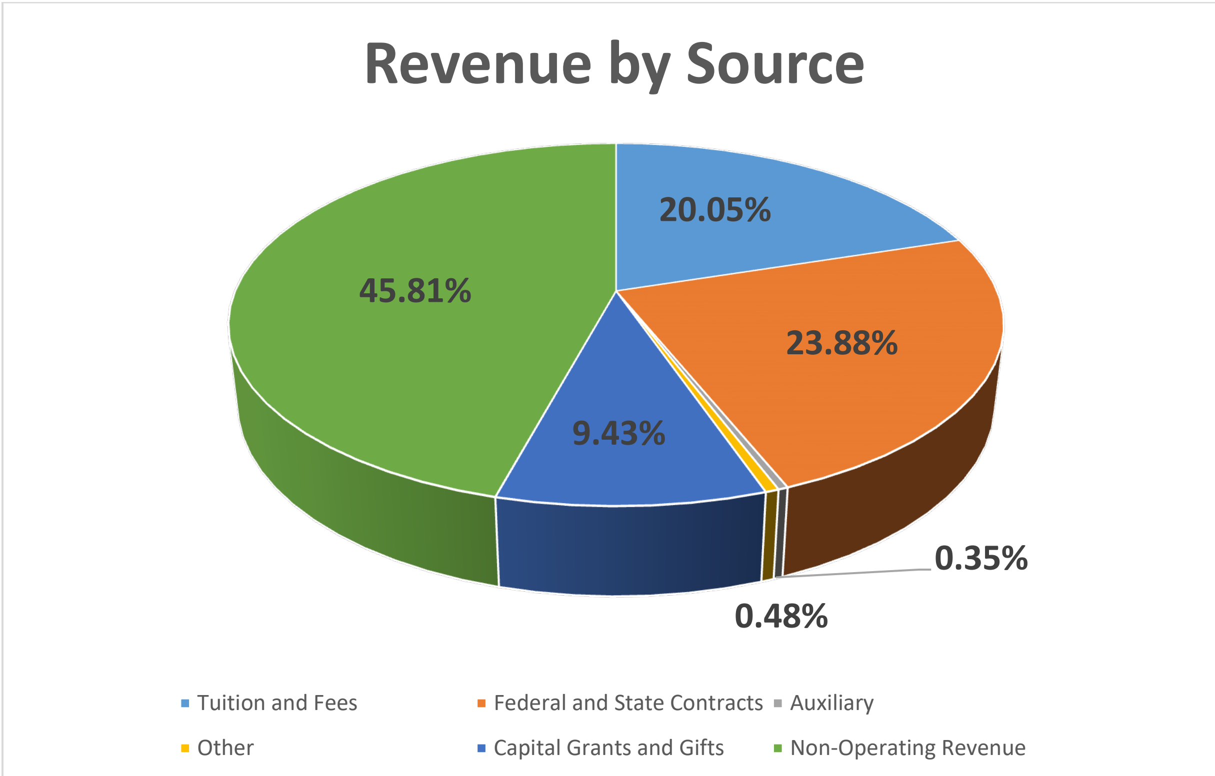
Operating Expenses by Function
For the Years Ended June 30,

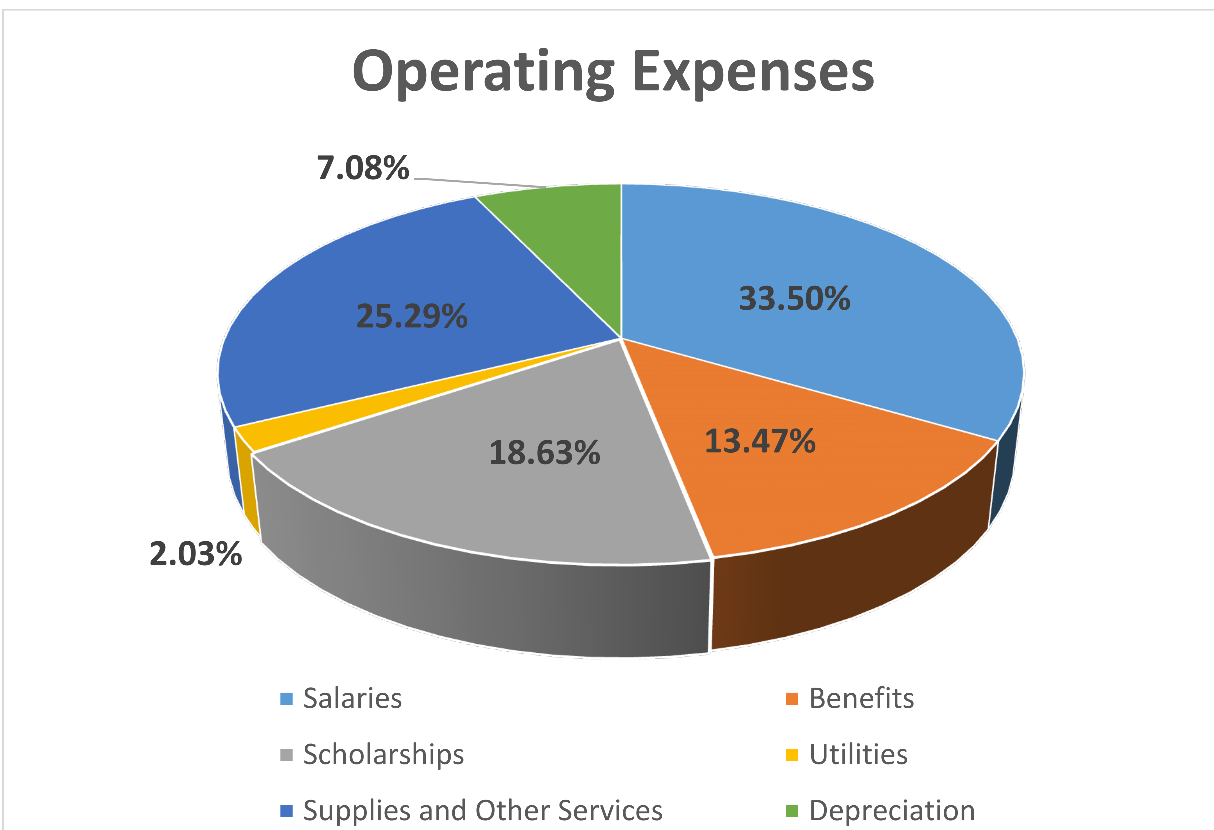
	2023	2022	Increase (Decrease)	Percent Change
Operating Expenses				
Instruction	$ 28,405,058	$ 26,301,477	$ 2,103,581	8.00%
Academic Support	$ 5,326,224	$ 5,789,392	$ (463,168)	(3.06%)
Student Services	$ 6,352,313	$ 6,030,736	$ 321,577	5.33%
Operation and Maintenance of Plant	$ 7,087,415	$ 6,649,827	$ 437,588	6.58%
Institutional Support	$ 15,480,863	$ 12,819,484	$ 2,661,379	20.76%
Scholarships	$ 15,876,888	$ 20,868,531	$ (4,991,643)	(23.92%)
Auxiliary Enterprises	$ 62,626	$ 76,013	$ (13,387)	(17.61%)
Depreciation	$ 5,986,298	$ 5,310,089	$ 676,209	12.73%
Total Operating Expenses	$ 84,577,685	$ 83,845,549	$ 732,136	0.87%

The following is a multi-year graphical trend of operating expense by function.



Operating expenses increased during fiscal year 2023 by $732,136 or 0.87%. This change was driven by several factors including an increase in salary expenses due to the dramatic increase in enrollment experienced in fiscal year 2023. The increased operating expenses were also precipitated by increases in supplies and services and depreciation expenses.


Revenue by Source
20.05%
45.81%
23.88%
9.43%
0.35%
0.48%
Tuition and Fees
Federal and State Contracts
Auxiliary
Other
Capital Grants and Gifts
Non-Operating Revenue


Operating Expenses
7.08%
33.50%
25.29%
18.63%
13.47%
2.03%
Salaries
Benefits
Scholarships
Utilities
Supplies and Other Services
Depreciation

Analysis of Net Position
For the Years Ended June 30,

	2023	2022	Increase (Decrease)	Percent Change
Net Position				
Investment in capital assets, Net of Related debt	$ 86,050,934	$ 85,831,595	$ 219,339	0.26%
Restricted for Capital Projects	$ 36,398,112	$ 29,539,931	$ 6,858,181	23.22%
Restricted for: expendable	$ 256,965	$ 964,314	$ (707,349)	(73.35%)
Unrestricted	$ (22,432,154)	$ (22,553,239)	$ 121,085	(0.54%)
Total Net Position	$ 100,273,857	$ 93,782,601	$ 6,491,256	6.92%

Net position (net assets) may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets and deferred outflows exceeded liabilities and deferred inflows by $100,273,857, an increase of $6,491,256 or 6.92% over the prior year, thus providing overwhelming evidence of the financial strength and economic viability of the institution.

The change in net assets was primarily attributed to increased revenue from tuition precipitated by significant enrollment increases in fiscal year 2023 and increases in state appropriations and collections from the local Educational Capital Improvement Sales and Use (Penny) Tax.

As of June 30, 2023, less than 1% or $256,965 of the College's net position is restricted for revolving loan funds and by other grantor-imposed restrictions.

Net Capital Assets
For the Years Ended June 30,

	2023	2022	Increase (Decrease)	Percent Change
Capital Assets				
Land and Improvements	$ 21,115,440	$ 19,970,100	$ 1,145,340	5.74%
Construction in Progress	$ 90,786	$ 1,285,121	$ (1,194,335)	(92.94%)
Buildings	$ 105,699,228	$ 101,745,625	$ 3,953,603	3.89%
Equipment	$ 19,216,043	$ 17,744,315	$ 1,471,728	8.29%
Intangible Right to use Assets	$ 1,338,761	$ 967,951	$ 370,810	38.31%
Total Capital Assets	$ 147,460,258	$ 141,713,112	$ 5,747,146	4.06%
Less Accumulated Depreciation	$ (60,477,407)	$ (55,304,547)	$ (5,172,860)	9.35%
Net Capital Assets	$ 86,982,851	$ 86,408,565	$ 574,286	0.66%

As of June 30, 2023, the College had $86,982,851 in capital assets, which represented a $574.286 or .66% increase over the prior fiscal year. The decrease in capital assets was largely precipitated by an increase in depreciation expense.

The College continued progress on its facilities master plan during the year, completing existing and starting new capital projects. These capital projects are intended to improve and expand academic and instructional space; enhance administrative and support buildings; upgrade the institution's roads, sidewalks and parking facilities; and modernize the existing information technology infrastructure.

Capital assets include $967,951 in intangible and capital leases with associated debt in the amount of $931,917 as of June 30, 2023.

Cash Flows
For the Years Ended June 30,

		2023		2022
Cash Flows from Operating Activities	$	(39,907,057)	$	(35,924,024)
Cash Flows from Non-Capital Financing Activities	$	47,218,468	$	41,143,843
Cash Flows from Capital and Related Financing Activities	$	3,162,524	$	4,919,087
Cash Flows from Investing Activities	$	2,673,955	$	(3,440,509)
Net (Decrease)/Increase in Cash	$	13,147,890	$	6,698,397
Cash - Beginning of Year	$	29,704,717	$	23,006,320
Cash - End of Year	$	42,852,607	$	29,704,717

The College's cash position increased by approximately $13,148,000 or 44% during the year. The increase in cash was attributed to an increase in state and county appropriations, federal grants and contracts as well as interest on investments.

Capital Asset and Debt Administration

The College was able to substantially increase its net position during the year through dramatic increases in enrollment, ongoing cost reduction initiatives, and receipt of the local Education Capital Improvement Sales and Use (Penny) Tax. The College has no indebtedness.

Economic Factors

Over the past decade, the College has been forced to rely more heavily on tuition (enrollment) revenue to support its mission. In spite of the current year enrollment increase, the College expects some flattening of enrollment growth due to national enrollment trends especially across two-year colleges, socio-economic trends, availability of federal and state financial aid, and competition from private and four-year institutions. The future impact of enrollment increases or decreases however, cannot be measured with any precision.

In spite of these economic and market-related challenges, the College continues to provide overwhelming evidence of its fiscal strength and economic health as demonstrated by its growth in net assets, financial liquidity, and absence of debt. The College's financial health is further supported by relatively stable enrollment, ongoing cost reductions, and receipt of the local Penny Tax.

Horry-Georgetown Technical College Foundation

A copy of the Horry-Georgetown Technical College Foundation audit may be obtained by mailing a request to the Horry-Georgetown Technical College Foundation at 743 Hemlock Ave, Myrtle Beach, SC 29577.

FINANCIAL STATEMENTS

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2023 AND JUNE 30, 2022

		2023		2022
ASSETS				
Current Assets				
Cash and Cash Equivalents	$	42,620,702	$	29,474,009
Cash and Cash Equivalents (Restricted for Loans)		231,905		230,708
Short Term Investments		10,518,639		9,755,088
Accounts Receivable, Net		17,331,442		30,379,696
Interest Receivable		304,225		322,604
Loans Receivable		26,827		26,228
Prepaid Expenses		448,354		380,939
Total Current Assets	$	71,482,094	$	70,569,272
Noncurrent Assets				
Investments	$	38,536,472	$	32,893,850
Capital Assets, Net of Accumulated Depreciation		86,043,176		85,825,660
Lease Assets, Net of Accumulated Amortization		309,701		310,663
Subscription Based Software Net of Accumulated Amortization		629,974		272,241
Total Noncurrent Assets	$	125,519,323	$	119,302,414
Total Assets	$	197,001,417	$	189,871,686
DEFERRED OUTFLOW OF RESOURCES				
Deferred Outflow of Resources - Pension	$	6,098,869	$	6,664,006
Deferred Outflow of Resources - OPEB		11,648,915		13,705,572
Total Deferred Outflow of Resources	$	17,747,784	$	20,369,578
LIABILITIES				
Current Liabilities				
Accounts Payable & Retainage Payable	$	796,569	$	1,159,372
Interest Payable		4,901		6,653
Due to Other State Agencies		1,518,547		1,631,117
Accrued Payroll and Related Liabilities		1,876,678		2,237,987
Compensated Absences Payable		92,361		4,648
Financing Lease Payable		9,004		8,397
Subscription Software Payable		172,034		106,223
Lease Payable		83,092		144,605
Unearned Revenue		6,962,154		5,690,293
Funds Held for Others		25,870		23,364
Total Current Liabilities	$	11,541,210	$	11,012,659
Noncurrent Liabilities				
Compensated Absences Payable	$	1,639,404	$	1,728,104
Financing Lease Payable		4,746		13,745
Lease Payable		225,208		157,439
Subscription Software Payable		437,833		146,560
Net Pension Liability		45,755,927		41,282,590
Net OPEB Liability		37,523,485		52,069,176
Total Noncurrent Liabilities	$	85,586,603	$	95,397,614
Total Liabilities	$	97,127,813	$	106,410,273
DEFERRED INFLOW OF RESOURCES				
Deferred Inflow of Resources - Pension	$	894,536	$	6,709,523
Deferred Inflow of Resources - OPEB		16,452,995		3,338,867
Total Deferred Inflow of Resources	$	17,347,531	$	10,048,390
NET POSITION				
Net Investment in Capital Assets	$	86,050,934	$	85,831,595
Restricted for Expendable:				
Loans and Other		256,965		964,314
Capital Projects		36,398,112		29,539,931
Unrestricted		(22,432,154)		(22,553,239)
Total Net Position	$	100,273,857	$	93,782,601

The Accompanying Notes are an Integral Part of this Statement

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

REVENUES		2023		2022
Operating Revenues				
Student Tuition & Fees (Net of Scholarship Allowance of $20,094,773 for 2023 and $16,742,532 for 2022)	$	18,257,044	$	17,920,411
Federal Grants and Contracts		7,105,447		3,645,364
State Grants and Contracts		14,251,507		11,658,878
State Allocation		387,569		252,513
Auxiliary Enterprises		317,488		427,273
Sales and Services of Education Departments		255,662		217,116
Other Operating Income		180,191		344,153
Total Operating Revenue	$	40,754,908	$	34,465,708
EXPENSES				
Operating Expenses				
Salaries	$	28,329,482	$	25,211,307
Benefits		11,390,292		11,951,188
Scholarships		15,759,853		20,840,805
Utilities		1,718,188		1,649,834
Supplies and Other Services		21,393,573		18,882,326
Depreciation and Amortization		5,986,297		5,310,089
Total Operating Expenses	$	84,577,685	$	83,845,549
Net Operating Income (Loss)	$	(43,822,777)	$	(49,379,841)
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	$	16,545,244	$	13,165,424
County Appropriations		4,965,000		4,465,000
Investment Income (Loss)		185,767		(5,640,124)
Federal Grants and Contracts		15,396,460		31,255,142
State Grants and Contracts		3,613,895		614,836
Gifts		785,940		821,739
Loss on Disposal of Capital Assets		(2,355)		0
Interest Expense		(28,530)		(11,345)
Other Nonoperating Revenues		260,583		5,460,288
Total Nonoperating Revenues (Expenses)	$	41,722,004	$	50,130,960
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	$	(2,100,773)	$	751,119
Education Capital Improvement Tax	$	8,426,149	$	7,795,855
Transfers to/from Other State Agency		165,880		(451,147)
Increase (Decrease) in Net Position	$	6,491,256	$	8,095,827
Net Position - Beginning of Year (As Restated, Note 22)	$	93,782,601	$	85,686,774
Net Position - End of Year	$	100,273,857	$	93,782,601

The Accompanying Notes are an Integral Part of this Statement

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees (Net of Scholarship Allowances)	$ 19,392,746	$ 16,659,026
Federal, State and Local Grants and Contracts	17,283,337	11,762,340
State Allocation	387,569	252,513
Auxiliary Enterprise	317,488	427,273
Sales and Services of Education Departments	255,662	217,116
Other Receipts	180,191	448,405
Custodial Fund Receipts	2,506	147,173
Student Loan Proceeds	13,532,361	12,286,680
Student Loan Disbursements	(13,532,361)	(12,286,680)
Payments to Vendors	(49,436,116)	(40,473,346)
Payments to Employees	(28,290,440)	(25,364,524)
Net Cash Provided (Used) by Operating Activities	$ (39,907,057)	$ (35,924,024)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	$ 16,545,244	$ 13,165,424
County Appropriations	4,965,000	4,465,000
State, Local and Federal Grants, Gifts and Contracts - Nonoperating	19,796,294	17,682,538
Other Income (Expense) - Nonoperating	5,746,050	6,282,028
Transfer to Other State Agency	165,880	(451,147)
Net Cash Provided (Used) by Noncapital Financing Activities	$ 47,218,468	$ 41,143,843
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants State and Local	$ 9,426,149	$ 8,991,785
Financing Lease Principal Payment	(8,392)	(7,830)
Lease Obligation Principal Payment	(109,734)	(192,634)
Subscription Liability Principal Payment	(221,060)	(103,283)
Interest Paid	(55,633)	(6,688)
Purchase of Capital Assets	(5,868,806)	(3,762,263)
Net Cash Provided (Used) by Capital and Related Financing Activities	$ 3,162,524	$ 4,919,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	$ 1,921,000	$ 5,992,000
Interest on Investments	185,767	(5,640,124)
Purchase of Investments	567,188	(3,792,385)
Net Cash Provided (Used) by Investing Activities	$ 2,673,955	$ (3,440,509)
Net Increase (Decrease) in Cash	$ 13,147,890	$ 6,698,397
Cash - Beginning of Year	29,704,717	23,006,320
Cash - End of Year	$ 42,852,607	$ 29,704,717

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	2023	2022
Operating Income (Loss)	$ (43,822,777)	$ (49,379,841)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	5,986,297	5,310,089
Change in Assets, Liabilities, and Deferred Resources:		
Operational Receivables, Net	(2,421,368)	4,868,944
Loan Receivable	599	(14,833)
Accrued Payroll and Related Liabilities	(361,309)	683,433
Deferred Charges and Prepaid Expenses	67,414	(58,193)
Change in Net Pension Liability and Related Deferred Resources	(776,512)	(829,044)
Change in Net OPEB Liability and Related Deferred Resources	625,093	2,905,737
Accounts and Retainage Payable	(362,798)	(66,856)
Compensated Absences	(987)	(203,997)
Unearned Revenue - Operating Activities	1,271,861	(12,241)
Due to Other State Agencies	(112,570)	870,778
Funds Held for Others	0	2,000
Net Cash Provided (Used) by Operating Activities	$ (39,907,057)	$ (35,924,024)

SUPPLEMENTAL DISCLOSURES		
Noncash Capital and Related Financing Activities		
Right to Use Asset Leases	$ 202,261	$ 258,934
Right To Use Subscription Assets	578,142	272,241
Total Noncash Capital and Related Financing Activities	$ 780,403	$ 258,934

HORRY - GEORGETOWN TECHNICAL COLLEGE FOUNDATION, INC.
CONWAY, SOUTH CAROLINA
COMPONENT UNIT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

		2023
ASSETS		
Cash	$	1,656,877
Contributions Receivable, Net		873,621
Investments		12,851,805
Other Assets		0
Prepaid Expenses		1,948
Total Assets	$	15,384,251
LIABILITIES		
Accounts Payable and Accrued Expenses	$	36,569
Deferred Revenue		33,000
Total Liabilities	$	69,569
NET ASSETS		
With Donor Restrictions	$	15,158,651
Without Donor Restrictions		156,031
Total Net Assets	$	15,314,682
Total Liabilities and Net Assets	$	15,384,251

HORRY - GEORGETOWN TECHNICAL COLLEGE FOUNDATION, INC.
CONWAY, SOUTH CAROLINA
COMPONENT UNIT
STATEMENT OF ACTIVITY FOR THE YEAR ENDED JUNE 30, 2023

		2023
SUPPORT AND REVENUE		
Contributions	$	998,904
Investment Income		1,155,702
Forgiveness of Debt SBA Payroll Protection Loan		0
Total Support and Revenue	$	2,154,606
EXPENSES		
Projects and Programs	$	2,209,560
Administrative Expenses		116,890
Fund Raising		51,740
Total Expenses	$	2,378,190
Change in Net Assets	$	(223,584)
Net Assets - Beginning of Year		15,538,266
Net Assets - End of Year	$	15,314,682

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Horry - Georgetown Technical College (the "College"), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Horry and Georgetown counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College's service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

Reporting Entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board ("GASB") consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be incomplete. Accordingly, the financial statements include the accounts of Horry - Georgetown Technical College, as the primary government, and the accounts of Horry - Georgetown Technical College Foundation, Inc. (the "Foundation"), its component unit. The College is considered a discretely presented component unit of the State of South Carolina as required by GASB Statement No. 61. However, based on the nature and significance of the Foundations' relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 32 member board of the Foundation is self-perpetuating and consists of friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income, thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation has adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. This adoption resulted in reducing the net asset classification from three net asset classes to two net asset classes, providing qualitative disclosures about methods used to allocate costs among program and support functions, and adding additional qualitative disclosures regarding liquidity and cash management.

Financial Statements of the Foundation can be obtained by calling the Foundation at (843) 477-2112.

Financial Statements: The financial statement presentation for the College meets the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net position, revenues, expenses and changes in net position and cash flows that replaces the fund-group perspective previously required.

During the current year, the College implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* This statement defines Subscription-Based Information Technology Arrangements (SBITA) and requires that certain contracts that convey control of the right-to-use a vendor's information technology (IT) software be recognized as a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. GASB requires that this statement be implemented retroactively by restating beginning net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting: For financial reporting purposes, the College is considered a special purpose government engaged only in business-type activities. Accordingly, the College's 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. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

Investments: Deposits and investments for the College are governed by the South Carolina Code of Laws, Title 6, Chapter 5, "Investments of Funds by Political Subdivisions". The College has implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures* - *an amendment to GASB Statement No. 3*. This statement requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The College accounts for its investments at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, State and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or at acquisition value at the date of donation in the case of gifts. Acquisition value is the price that would be paid to acquire an asset with equivalent service capacity in an orderly market transaction at the acquisition date. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of $5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of $30,000. Routine repairs and maintenance and library materials, except individual items costing in excess of $5,000, are charged to operating expenses 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 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles.

Amortization of right to use assets is based on the shorter of the lease term or estimated life of the asset. Amortization of right to use capital assets related to subscription-based information technology assets is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deposits represent student fee refunds, and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.

Deferred Outflows/Inflows of Resources: In addition to assets and liabilities, the statement of net position will sometime report a separate section for deferred outflows and deferred inflows of resources. These separate financial statement elements represent consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/revenue) until that time.

Pensions: For purpose 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 plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, 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.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the College's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long Term Disability Insurance Trust Fund (SCLTDITF) and additions to/deductions from the SCRHITF and the SCLTDITF net position have been determined on the same basis as they are reported by the SCRHITF and SCLTDITF Plan. For this purpose, the SCRHITF and the SCLTDITF recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of current and long-term liabilities in the statement of net position and as a component of salary and benefit expenses in the statement of revenues, expenses, and changes in net position.

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 and intangible right to use assets, net of outstanding debt obligations and lease 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 net investment in capital assets.

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

Restricted net position - nonexpendable: Nonexpendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrestricted net position: Unrestricted net position represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College policy for applying expenses that can use both restricted and unrestricted resources is to first apply the expense to restricted resources and then to unrestricted resources.

Nonexchange Transactions: Nonexchange transactions involving financial or capital resources are transactions in which the college either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange. The types of nonexchange transactions the college engages in include “Voluntary nonexchange transactions” (certain grants and donations), and “Imposed nonexchange revenue” (fines and penalties), and “Government-mandated nonexchange transactions.”

Voluntary nonexchange transactions usually involve eligibility requirements that must be met before transactions are recognized. The eligibility requirements can include one or more of the following:

a. The recipient has the characteristics specified by the provider.
b. Time requirements specified by the provider have been met.
c. The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
d. The provider’s offer of resources is contingent upon a specified action of the recipient and that action occurred.

Resources transmitted before the eligibility requirements are met are reported as advances by the provider and as unearned revenues by recipients.

Assets from imposed nonexchange revenues are recognized when an enforceable legal claim to the assets arises or when the resources are received.

Capitalized Interest: The College has adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, and any interest costs incurred during the construction is expensed as incurred.

Income Taxes: The College is exempt from income taxes under the Internal Revenue Code.

Classification of Revenues: The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues: Operating revenues generally result from exchange transactions to provide goods or services related to the College’s principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes.

Sales and Services of Educational and Other Activities: Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The College receives such revenues primarily from the following programs: Dental Hygiene, Massage Therapy, Food Service, and Culinary Arts.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by bookstore commissions and cafeteria and vending services. Revenues of internal service and auxiliary enterprise activities and the related expenditures of college departments have been eliminated.

Restricted Cash: The College has funds which were donated by private citizens to be used as short-term loans for students having financial difficulties. The loans are short-term and payable within 90 days. The restricted cash amount equals funds available for such loans.

Component Unit: The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund Accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. Net assets restricted by the actions of the Foundation and/or the passage of time are temporary in nature. Other donor imposed stipulations that are permanent in nature, require that principal be maintained in perpetuity by the Foundation.

Revenues are reported as increases in unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are not recorded in the Foundation's financial records, but are accounted for and acknowledged separately.

Expenses are reported as decreases in unrestricted net assets as appropriate. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value based upon quoted market prices.

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NOTE 2 - DEPOSITS AND INVESTMENTS

The following schedule reconciles deposits, investments, and petty cash funds to the Statement of Net Position amounts:

Primary Government

Statement of Net Position	2023	2022
Cash and Cash Equivalents (Current)	$ 42,620,702	$ 29,474,009
Cash and Cash Equivalents (Restricted for Loans)	231,905	230,708
Short-Term Investments	10,518,639	9,755,088
Investments (Noncurrent)	38,536,472	32,893,850
Total Cash and Investments	$ 91,907,718	$ 72,353,655
(On the Statement of Net Position)		

Disclosure of Deposits and Investments	2023	2022
Carrying Value of Deposits and Investments:		
Cash in Banks	$ 955,438	$ 5,561,974
Investments, Reported Amount	90,947,205	66,786,606
Total Deposits and Investments	$ 91,902,643	$ 72,348,580
Cash on Hand	5,075	5,075
Total Cash, Deposits, and Investments	$ 91,907,718	$ 72,353,655

Discretely Presented Component Unit

Horry - Georgetown Technical College Foundation

Statement of Net Assets	2023	2022
Cash and Cash Equivalents	$ 1,656,877	$ 1,234,101
Investments	12,851,805	11,847,439
Total Cash and Investments	$ 14,508,682	$ 13,081,540

Disclosure of Deposits and Investments	2023	2022
Carrying Value of Deposits and Investments:		
Cash in Banks	$ 1,656,877	$ 1,234,101
Investments, Reported Amount	12,851,805	11,847,439
Total Deposits and Investments	$ 14,508,682	$ 13,081,540

DEPOSITS

State law requires that a bank or savings and loan association receiving State funds must secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the College will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party.

The College's bank balances on deposit were $1,311,957 at June 30, 2023. Of these, $1,311,957 were exposed to custodial credit risk as uninsured; however, were collateralized with securities held by the pledging institution in the College's name. The carrying value of these deposits was $955,435. Restricted cash includes $231,905 held for student loans. The cash balance at brokerage firms are insured up to $250,000 by the Securities Investor Protection Corporation (SIPC) with additional insurance provided by the brokerage firm through an excess SIPC policy.

INVESTMENTS
The College is authorized, by the South Carolina Code of Laws, Title 6, Chapter 5, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College's investments at June 30, 2023, that are not with the State Treasurer's Office are presented below. All investments are presented by investment type and by maturity.

Horry - Georgetown Technical College Investments

Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Repurchase Agreements	$ 35,830,987	35,830,987	-	-	-
Certificate of Deposit	711,184	473,461	237,723	-	-
Corporate Bonds	4,194,630	945,192	2,318,828	664,260	266,350
Federal Farm Credit Bank	1,097,481	-	292,401	805,080	-
Federal Home Loan Mgt Corp	761,150	-	-	-	761,150
Federal Home Loan Bank	1,712,995	-	-	-	1,712,995
Federal National Mortgage Association	336,732	-	336,732	-	-
Municipal Bonds	29,232,784	895,968	6,870,567	15,410,500	6,055,749
Money Market Mutual Funds	12,032,183	12,032,183	-	-	-
U.S. Treasury Bill	1,989,180	1,989,180	-	-	-
U.S. Treasury Bonds	287,064	-	-	-	287,064
U.S. Treasury Note	2,760,835	243,760	-	2,517,075	-
Total Investment	$ 90,947,205	52,410,731	10,056,251	19,396,915	9,083,308

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Horry – Georgetown Technical College holds investments that are measured at fair value on a recurring basis. The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

		Fair Value Measurements Using		
	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
Money Market Mutual Funds	$ 12,032,183	$ 12,032,183	$ -	$ -
Certificate of Deposit	711,184	711,184	-	-
Corporate Bonds	4,194,630	-	4,194,630	-
Government Bonds	3,908,358	-	3,908,358	-
Municipal Bonds	29,232,784	-	29,232,784	-
U.S. Treasury Notes/Bonds	5,037,079	5,037,079	-	-
Repurchase Agreement	35,830,987	-	35,830,987	-
Total Debt Securities	$ 90,947,205	$ 17,780,446	$ 73,166,759	$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities in Level 2 are valued at quoted prices in markets that are not active or observable inputs over the full term of the asset or liability.

Debt and equity securities classified as Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies are valued at quoted prices for identical securities in markets that are not active.
- Corporate and Municipal Bonds are quoted prices for similar securities in active markets.

The College did not have any Level 3 investments as of June 30, 2023.

Deposits - Discretely Presented Component Unit

Cash and cash equivalents consist of amounts on deposit, including interest-bearing deposits. The balances on deposit were insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The balances at the brokerage firm are insured up to $500,000 by the Securities Investor Protection Corporation (SIPC) with additional insurance provided by the brokerage firm through an excess SIPC policy.

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NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Discretely Presented Component Unit

Horry - Georgetown Technical College Foundation

Investment Type		Fair Value Amount
Debt Securities:		
Mutual and Money Market Funds – Level 1	$	6,741,376
Equities – Level 1		5,633,189
Other Investments – Level 3		477,240
Total Investment	$	12,851,805

Custodial Credit Risk
Custodial credit risk for investments is the risk that, in the event of a failure of the counter-party to a transaction, the College will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The College does not have a formal investment policy that addresses custodial credit risk. Of the College's $35,830,987 investment in repurchase agreements, $35,830,987 of the underlying securities are held by the investments counter-party in the College's Name.

Interest Rate Risk
Interest Rate Risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

The College does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College does not have an investment policy regarding credit risk.

The College's rated debt investments as of June 30, 2023, were rated by Standard & Poor's and are listed below using the Standard & Poor's rating scale.

Horry - Georgetown Technical College Rated Debt Investments

Rated Debt Investments		Fair Value	Rating
Repurchase Agreements	$	35,830,987	Unrated
Money Market Mutual Fund		12,032,183	Unrated
Certificates of Deposit		711,184	Unrated
Corporate Bonds		1,011,420	A
Corporate Bonds		240,245	A-
Corporate Bonds		748,558	AA
Corporate Bonds		236,035	AAA
Corporate Bonds		820,420	BBB

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Horry - Georgetown Technical College Rated Debt Investments (Continued)

Rated Debt Investments	Fair Value	Rating
Corporate Bonds	1,137,952	BBB+
FHLB Bonds	1,712,995	AA+
Federal Farm Credit Bonds	1,097,481	AA+
Federal Home Loan Mortgage Corporation	761,150	Unrated
Federal National Mortgage Corporation	336,732	AA+
Municipal Bonds	1,126,978	A
Municipal Bonds	5,616,435	A-
Municipal Bonds	6,285,882	A+
Municipal Bonds	8,647,381	AA
Municipal Bonds	2,534,818	AA+
Municipal Bonds	1,254,280	AA-
Municipal Bonds	1,220,290	AAA
Municipal Bonds	2,546,720	Unrated
US Treasury Notes/Bonds	5,037,079	Unrated
Total Investment	$ 90,947,205	

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College places no limits on the amount the College may invest in any one issuer.

The College had Debt Securities at June 30, 2023 totaling 46.96 percent of its investments. The following Debt Type Investments represented 5 percent or more of total investments:

Debt Type Investments	Percentage
Municipal Bonds	32.40 %
Total Investments	32.40 %

The Discretely Presented Component Unit - Horry - Georgetown Technical College Foundation adopted a formal investment policy on June 17, 2007, addressing custodial credit risk, foreign currency risk, credit risk, interest rate risk, or concentration of credit risk.

At June 30, 2023, contractual maturities of investments were:	Amortized Cost	Fair Value
Due Less than One Year	$ 0	$ 0
No Contractual Maturity	12,851,805	12,851,805
Total Contractual Maturity	$ 12,851,805	$ 12,851,805

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable for the years ended June 30, 2023 and June 30, 2022, including applicable allowances, are summarized as follows:

	2023	2022
Student Accounts	$ 4,926,685	$ 6,089,214
Federal Grants and Contracts	2,331,512	13,745,072
State Grants and Contracts	4,254,869	3,828,147
Local Grants and Contracts	6,057,417	6,896,722
	17,570,483	30,559,155
Less Allowance for Doubtful Accounts - Students	(239,041)	(179,459)
Net Accounts Receivable	$ 17,331,442	$ 30,379,696

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2023, the allowance for uncollectible student accounts is valued at $239,041 and at June 30, 2022 the allowance was $179,459.

NOTE 4 - LOANS RECEIVABLE

The College has been gifted funds that are restricted for the purpose of being loans to students that have emergency situations. The loans are short-term loans that are repaid normally within 90 days.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

The composition of Discretely Presented Component Unit contributions receivable at June 30, 2023 is summarized as follows:

	2023
Contributions Receivable	$ 1,027,395
Less unamortized discount to present value	(61,774)
Less allowance for uncollectibles	(92,000)
Net Contributions Receivable	$ 873,621
Total balances due before the application of the present value reduction at June 30, 2023:	
Less than one	$ 411,909
One to five years	550,536
Six to ten years	64,950
Total	$ 1,027,395

The discount rate used to determine the fair value of contributions receivable was five percent for the fiscal year ended June 30, 2023.

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

	Beginning Balance July 1, 2022 (As Restated)	Increases	Decreases	Ending Balance June 30, 2023
Capital Assets not being Depreciated:				
Land	$ 6,247,902	$ 304,066	$ -	$ 6,551,968
Construction in Progress	1,285,122	90,783	(1,285,119)	90,786
Total Capital Assets not being Depreciated	$ 7,533,024	$ 394,849	$ (1,285,119)	$ 6,642,754
Other Capital Assets:				
Buildings and Improvements	$ 101,745,625	$ 3,953,603	$ -	$ 105,699,228
Machinery, Equipment, and Other	17,237,938	1,908,387	(479,857)	18,666,468
Vehicles	506,377	55,811	(12,613)	549,575
Depreciable Land Improvements	13,722,197	841,275	-	14,563,472
Total Other Capital Assets	$ 133,212,137	$ 6,759,076	$ (492,470)	$ 139,478,743
Less Accumulated Depreciation for:				
Buildings and Improvements	$ (36,148,575)	$ (2,863,212)	$ -	$ (39,011,787)
Machinery, Equipment, and Other	(13,199,968)	(1,914,081)	479,857	(14,634,192)
Vehicles	(417,155)	(42,025)	12,613	(446,567)
Depreciable Land Improvements	(5,153,803)	(831,972)	-	(5,985,775)
Total Accumulated Depreciation	$ (54,919,501)	$ (5,651,290)	$ 492,470	$ (60,078,321)
Other Capital Assets, Net	$ 78,292,636	$ 1,107,786	$ -	$ 79,400,422
Intangible Right to Use Assets:				
Machinery, Equipment, and Other	$ 611,885	$ 202,261	$ (409,593)	$ 404,553
Less Accumulated Depreciation For:	(301,222)	(114,598)	320,968	(94,852)
Total Intangible Right to Use Assets	$ 310,663	$ 87,663	$ (88,625)	$ 309,701
Intangible Right to Use Software Subscriptions:				
Software Subscriptions	$ 356,066	$ 578,142	$ -	$ 934,208
Less Accumulated Depreciation For:	(83,825)	(220,409)	-	(304,234)
Total Intangible Right to Use SBITA Assets	$ 272,241	$ 357,733	$ -	$ 629,974
Total Intangible Right to Use Assets, Net	$ 582,904	$ 445,396	$ (88,625)	$ 939,675
Capital Assets, Net	$ 86,408,564	$ 1,948,031	$ (1,373,744)	$ 86,982,851
Capital Assets, Net				
Losses on disposals				2,355
Net loss on disposals				2,355
State Inventory listing Movable Equipment				19,216,043
Total Equipment per Books				19,216,043
Reconciled Difference				-

Beginning capital assets have been restated in the amount of $272,241 to record subscription based right to use assets net of accumulated amortization. This change has been made retroactively in the fiscal year 2022 financial statements.

NOTE 7 - PENSION AND RETIREMENT PLAN

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, public higher education institutions, other participating local subdivisions of government, first term individuals, and participating charter schools, elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first term individuals elected to the S.C. General Assembl. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the state.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (12.41 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable services equals at least ninety years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age sixty if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active or retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits area also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statue. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statue. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by one percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

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NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

- Required employee contribution rates[1] are as follows:

	2023	2022
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

- Required employer contribution rates[1] are as follows:

	2023	2022
SCRS		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP[2]		
Employer Contribution	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	19.84%	18.84%
Employer Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

[1] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.
[2] Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

Employer contribution rates increased by one percentage point for the 2022-2023 fiscal year. PEBA issued credit invoices to each employer for one percent of employer contributions based on its share of the appropriated funds. The College's share of appropriated funds were $195,186 and will be reported as revenues from a contribution made by a non-employer contributing entity and a reduction of net pension liability as of June 30, 2023 measurement date. The College reported $196,119 as non-employer contribution revenue for the 2022 fiscal year.

Contributions to the pension plan for the years ended June 30, 2023 and June 30, 2022 are as follows:

	2023	2022
SCRS	$ 3,283,011	$ 2,843,881
PORS	$ 14,748	$ 13,790
ORP – Remitted to SCRS	$ 853,091	$ 671,021
ORP – Remitted to Vendor	$ 339,606	$ 290,234

NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

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

At June 30, 2023, the College reported $45,610,914 and $145,013 for its proportionate shares of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of each defined benefit pension plan was determined based on the July 1, 2021 actuarial valuations, using membership data as of July 1, 2021, projected forward to June 30, 2022, and financial information of the pension trust funds as of June 30, 2022, using generally accepted actuarial procedures. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the College SCRS proportion was .188147 percent measured as of June 30, 2022. The College's PORS proportion of the net pension liability at June 30, 2023 was .004835 percent. The College's proportionate share for the fiscal year ending June 30, 2022 as of the measurement date of June 30, 2021 for the SCRS was .190142 percent and .005188 percent for the PORS.

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2023, are presented below:

Description	SCRS	PORS
Service cost (annual cost of current service)	$ 2,011,316	$ 10,544
Interest on the total pension liability	7,108,735	28,943
Changes in plan benefits	0	0
Plan administrative costs	33,848	157
Plan member contributions	(1,850,495)	(7,908)
Expected return on plan assets	(4,381,449)	(20,657)
Recognition of current year amortization – Difference between expected and actual experience	938,077	3,333
Recognition of current year amortization – Difference between projected and actual investment earnings	(37,568)	(147)
Other	4,921	(140)
Change in proportionate share	(292,550)	21,494
Total Pension Expense	$ 3,534,835	$ 35,619

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

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NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS	PORS
Deferred Outflows of Resources:		
Difference between expected and actual experience	$ 396,274	$ 2,433
Assumption Changes	1,462,849	6,039
Net difference between projected and actual investment earnings	70,341	438
Deferred amounts from changes in proportionate share and difference between employer contributions and proportionate share of total plan employer contributions	3,207	6,438
College contributions subsequent to measurement date	4,136,102	14,748
	$ 6,068,773	$ 30,096

	SCRS	PORS
Deferred Inflows of Resources:		
Net difference between expected and actual experience	$ 198,771	$ 2,867
Deferred amounts from changes in proportionate share and difference between employer contributions and proportionate share of total plan employer contributions	672,257	20,641
	$ 871,028	$ 23,508

College contributions subsequent of the measurement date of $4,136,102 and $14,748 reported as deferred outflow of resources for the SCRS and PORS, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	SCRS	PORS
2024	$ 602,208	$ (1,159)
2025	443,264	(4,862)
2026	(1,173,331)	(7,774)
2027	1,189,502	5,635
Thereafter	0	0
	$ 1,061,643	$ (8,160)

Payable to Pension Plan

At June 30, 2023, the College had $335,776 in outstanding payables to the plans for legally required contributions. This amount is reported in the statement of net position with withholdings and benefits payable.

NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

	SCRS	**PORS**
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return[1]	7.0%	7.0%
Projected salary increases	3.0% to 11.0% (varies by service)[1]	3.5% to 10.5% (varies by service)[1]
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

[1] *Includes inflation at 2.25%.*

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvements in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows:

Former Job Class	**Males**	**Females**
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 56,454,779,872	$ 32,212,626,932	$ 24,242,152,940	57.1%
PORS	8,937,686,946	5,938,707,767	2,998,979,179	66.4%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the System's financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighing the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table following. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	(0.35)%	(0.09)%
Private Equity[1]	9.0%	8.75%	0.79%
Private Debt[1]	7.0%	6.00%	0.42%
Real Assets	**12.0%**		
Real Estate[1]	9.0%	4.12%	0.37%
Infrastructure[1]	3.0%	5.88%	0.18%
Total Expected Return[2]	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

[1] RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of the total plan assets.
[2] Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.00 percent, as well as what the employers' net pension liability would be if it were calculated using the discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	**1% Decrease (6.00%)**	**Current Discount Rate (7.00%)**	**1% Increase (8.00%)**
SCRS	$58,478,819	$45,610,914	$34,912,922
PORS	$202,212	$145,013	$98,191

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocation and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2022, and the accounting valuation report as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

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NOTE 7 - PENSION AND RETIREMENT PLAN (continued)

Deferred Retirement Option Plans

The Teacher and Employee Retention Incentive (TERI) program, established by State law, became effective January 1, 2001. The program is a deferred retirement option available to SCRS members eligible for services retirement. Upon entering the TERI program, a member's status changes from active to retired. A TERI participant agrees to continue employment with an employer participating in the system for a specified period, not to exceed five years. TERI participants retain the same status and employment rights they held upon entering the program but are not considered active employees for purposes of the disability retirement programs. A TERI retiree's monthly benefits are accrued and remain in the SCRS trust account during the TERI participation period, but no interest is accrued or paid thereon. Upon termination of employment or at the end of the TERI participation period (whichever is earlier), a retiree may roll over some or all of the accumulated TERI balance into a qualified, tax-sheltered retirement plan and/or receive a lump-sum distribution.

Optional Retirement Program

As an alternative to membership in SCRS, certain State, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program. Participants in the State ORP direct the investment of their funds into a plan administered by one of four investment providers and are governed by the terms of the contracts that those providers issue.

Under State law, College contributions to the ORP are at the same rates as of the SCRS (see Subsection c, Funding Policies). A direct remittance is required from the employers to the investment providers for the employee contribution (9.00%) and a portion of the employer contribution (5.00%), which is immediately vested to the employee. A direct remittance is also required to the SCRS for a portion of the employer contribution (12.41%) and a group life contribution (.015%), which is retained by the SCRS. The activity for the College participation in the State ORP is as follows:

Covered payroll	$	6,792,126
Employee contributions to providers		611,292
Employer contributions to providers		339,606
Payments to SCRS		853,091

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May, 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA – Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2023 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income. The College paid $1,667,319 applicable to be surcharge included with employer contributions for retirement benefits for the year ended June 30, 2023. The College recorded non-employer contributions of $5,856 to the SCRHITF for the year ended June 30, 2023.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA-Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was $3.22 for the fiscal year ended June 30, 2023. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. The College

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

recorded employer contribution expense applicable for these benefits of $12,933 for June 30, 2023 and recorded $0 as non-employer contributions for the SCLTDITF for the year ended June 30, 2023.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the annual comprehensive financial report of the state.

Deferred Outflows of Resources and Deferred Inflows of Resources related to Post-Employment Benefits Other Than Pensions

At June 30, 2023, Horry – Georgetown Technical College reported an OPEB (Other Post-Employment Benefits) liability of $37,504,338 for Retiree Health Insurance. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of the June 30, 2021 valuation date. At June 30, 2022, the College's proportion of the OPEB Health Liability was .250028% and the College's proportion of the OPEB Health Liability at June 30, 2023 was .24654%.

For the year ended June 30, 2023, Horry – Georgetown Technical College recognized OPEB Health expense of $2,156,248 for OPEB Health. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Retiree Health Insurance Trust Fund (SCRHITF) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 804,985	$ 3,297,686
Assumption Changes	8,456,262	1,015,338
Investment Experience	370,042	75,148
Outstanding inflow balance between Horry – Georgetown Technical College contributions and proportionate share of plan contributions	319,665	12,055,608
Horry – Georgetown Technical College contributions subsequent to the measurement date	1,667,319	0
Total	$ 11,618,273	$ 16,443,780

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

$1,667,319 reported as deferred outflows of resources related to OPEB resulting from Horry – Georgetown Technical College OPEB Health Insurance contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB Health will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	(952,967)
2025	(558,514)
2026	(458,520)
2027	(749,516)
2028	(1,586,753)
Thereafter	(2,186,556)
	(6,492,826)

At June 30, 2023, Horry – Georgetown Technical College reported an OPEB liability of $19,147 for Long-Term Disability Insurance. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. At June 30, 2022, the College's proportion of the OPEB Long-Term Disability Liability was .169718% and the College's proportion of OPEB Long-Term Disability Liability at June 30, 2023 was .165267%.

For the year ended June 30, 2023, Horry – Georgetown Technical College recognized OPEB Long-Term Disability expense of $12,513 for OPEB Long-Term Disability. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Retiree Health Insurance Trust Fund (SCRHITF) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	$ 5,075	$ 3,406
Assumption Changes	3,830	2,723
Investment Experience	8,804	2,479
Outstanding balance between Horry – Georgetown Technical College contributions and proportionate share of plan contributions	0	607
Horry – Georgetown Technical College contributions subsequent to the measurement date	12,933	0
Total	$ 30,642	$ 9,215

$12,933 reported as deferred outflows of resources related to OPEB resulting from Horry – Georgetown Technical College OPEB Long-Term Disability Insurance contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB Long-Term Disability will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	1,002
2025	1,508
2026	2,495
2027	2,022
2028	214
Thereafter	1,253
	8,494

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Payable to OPEB Plans

As of June 30, 2023, the College had $129,602 in outstanding payables for the SCRHITF and $0 in outstanding payables to the SCLTDITF at year end. These amounts are reported in the statement of net position salaries and benefits payable.

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2021 actuarial valuation for SCRHITF:

Actuarial Assumptions:	**SCRHITF**
Valuation Date	June 30, 2021
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate	3.69% as of June 30, 2022
Demographic Assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Healthcare Trend Rates	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Aging Factors	Based on plan specific experience.
Participation Rates	79% participation for retirees who are eligible for Funded Premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums.
Other Information:	
Notes	The Single Discount Rate changed from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2021 actuarial valuation for SCLTDITF:

Actuarial Assumptions:	**SCLTDITF**
Valuation Date	June 30, 2021
Methods and Assumptions:	
Actuarial cost method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	3.00%, net of Plan investment expense; including inflation
Single Discount Rate	3.41% as of June 30, 2022
Salary, Termination Rates, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence	The disability incidence rates used in the LTD valuation are 165% of the rates developed for the pension plans.
Disability Recovery	For participants in payment, 1987 CGDT Group Disability For active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years.
Offsets	45% are assumed to be eligible for Social Security benefits. Assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses were included in the benefit projections
Other Information:	
Notes	The Single Discount Rate changed from 2.48% as of June 30, 2021 to 3.41% as of June 30, 2022..

Roll Forward Disclosures

The actuarial valuations were performed as of June 30, 2021. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2022.

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB Statement No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2022:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	$ 16,835,502,593	$ 1,623,661,403	$ 15,211,841,190	9.64%
SCLTDITF	46,410,320	34,824,847	11,585,473	75.04%

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB Statement No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Statements No. 74 and 75 and are not applicable for the other purposes, such as determining the Trusts' funding requirements.

Single Discount Rate

The Single Discount Rate of 3.69% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.41% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate 3.69%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain $38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2034. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2034, and the municipal bond rate was applied to all benefit payments after that date.

Long-Term Expected Rate of Return

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following tables:

South Carolina Retiree Health Insurance Trust Fund

Asset Class	**Target Asset Allocation**	**Expected Arithmetic Real Rate of Return**	**Allocation-Weighted Long-Term Expected Real Rate of Return**
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			**2.75%**

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

South Carolina Long-Term Disability Insurance Trust Fund

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			**3.00%**

Sensitivity Analysis

The following table presents the College's proportionate share of the SCRHITF net other postemployment benefits (OPEB) liability calculated using the discount rate of 3.69%, 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 (2.69 percent) or 1 percentage point higher (4.69 percent) than the current rate:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate

1.00% Decrease (2.69%)	Current Discount Rate (3.69%)	1.00% Increase (4.69%)
$44,340,270	$37,504,338	$32,010,736

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
$30,843,652	$37,504,338	$45,281,052

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The following table presents the College's proportionate share of the SCLTDITF net OPEB liability calculated using the discount rate of 3.41 percent, 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 (2.41 percent) or 1 percentage point higher (4.41 percent) than the current rate:

Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate

1.00% Decrease (2.41%)	Current Discount Rate (3.41%)	1.00% Increase (4.41%)
$22,189	$19,147	$16,205

NOTE 9 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

Like any entity, the College may be subject to various litigations in the normal course of business. However, as of the audit date, the College is not involved in any such litigation. The College also maintains appropriate insurance coverage to offset any significant financial losses associated with legal liabilities. It should be noted that the College participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

As of June 30, 2023 the outstanding project commitments were as follows:

Project	Expenditures To Date	Estimated Total Project	Estimated Completion Date
GS Bldg 100 Renovation and Expansion	$ 53,686	$ 15,000,000	June 2025
GT Renovations Bldg 500	461	400,000	Fall 2023
GT Renovations Bldg 100	5,244	200,000	Fall 2023
GT AMC Welding Booth Expansion	31,395	400,000	January 2024
	$ 90,786	$ 16,000,000	

Other than the information outlined and discussed above, the College's management is aware of no other contingencies, litigations or other financial or legal commitments.

NOTE 10 - LEASES

College-Wide Copiers
On July 1, 2020, the College entered a 29 month lease for the use of College-Wide Copiers with an initial lease liability of $111,165. As of June 30, 2023, the value of the lease liability was $0. The College made monthly fixed payments of $3,857. The lease has an interest rate of 0.5293%. This lease expired November 1, 2022.

Grand Strand Dumpsters
On August 8, 2021, the College entered a 60 month lease for the use of Grand Strand Dumpsters. An initial lease liability was recorded in the amount of $156,888. As of June 30, 2023, the value of the lease liability was $97,587. The College is required to make monthly fixed payments of $2,679. The lease has an interest rate of 0.9954%. The value of the right to use asset is $156,888 less accumulated amortization of $57,613 for a net value of $99,275. Accrued interest payable at June 30, 2023 was recorded in the amount of $76.

NOTE 10 - LEASES (continued)

Ryder 52' Trailer
On July 1, 2021, the College entered a 17 month lease for the use of a Ryder 52' Trailer. An initial lease liability was recorded in the amount of $9,410. As of June 30, 2023, the value of the lease liability was $0. The College was required to make monthly fixed payments of $525. The lease has an interest rate of 0.5925%. The College cancelled this lease and recorded a loss on the disposal of right-to-use asset of $3,168 and a gain on lease cancellation of $3,145.

Ryder Tractor
On July 1, 2021, the College entered an 18 month lease for the use of a Ryder Tractor. An initial lease liability was recorded in the amount of $47,232. As of June 30, 2023, the value of the lease liability was $0. The College was required to make monthly fixed payments of $2,635. The lease has an interest rate of 0.5925%. The College cancelled this lease and recorded a loss on disposal of right-to-use asset of $15,745 and a gain on the cancellation of lease obligation of $15,783.

Ryder Volvo Truck and Trailer
On July 1, 2020, the College entered into a 47 month lease for the use of a Ryder Volvo Truck and Trailer. An initial lease liability was recorded in the amount of $136,773. As of June 30, 2023, the value of the lease liability was $0. The College was required to make monthly fixed payments of $2,947. The lease has an interest rate of 0.6715%. The College cancelled this lease and recorded a loss on the disposal of right-to-use asset of $69,650 and a gain on the cancellation of lease obligation of $67,343.

Toro Mower and Spreader
On July 1, 2020, the College entered into a 26 month lease for the use of a Toro Mower and Spreader. An initial lease liability was recorded in the amount of $16,952. As of June 30, 2020, the value of the lease liability was $0. The College is required to make monthly fixed payments of $631. The lease has an interest rate of 0.5293%. This lease expired September 1, 2022.

Xerox PrimLink C9070 Copier
On July 1, 2021, the College entered into a 60 month lease for the use of the Xerox PrimLink C9070 Copier. An initial lease liability was recorded in the amount of $45,404. As of June 30, 2023, the value of the lease liability was $27,535. The College is required to make monthly fixed payments of $779. The lease has an interest rate of 1.1771%. The value of the right to use asset at June 30, 2023 was $45,404 with accumulated amortization of $17,430 for a net value of $27,974. The accrued interest payable at June 30, 2023 was $26.

Xerox Versant V180B Copier
On July 1, 2020, the College entered into a 36 month lease for the use of the Xerox Versant V180B Copier. An initial lease liability was recorded in the amount of $88,061. As of June 30, 2023, the value of the lease liability was $0. The College is required to make monthly fixed payments of $2,468. The lease has an interest rate of 0.6241%. This lease expired June 1, 2023.

College Wide Copier Lease
On March 1, 2023, the College entered into a 60 month lease for the use of college wise copies. An initial lease liability was recorded in the amount of $170,485. As of June 30, 2023, the value of the lease liability was $159,987. The College is required to make monthly fixed payments of $3,094. The lease has an interest rate of 3.4150%. The value of right-to-use asset at June 30, 2023 was $170,485 with accumulated amortization of $11,366 for a net value of $159,119. The accrued interest payable at June 30, 2023 was $0.

NOTE 10 - LEASES (continued)

Toro Mower and Spreader
One September 14, 2022, the College entered into a 36 month lease for the use of Western Equipment Mower and Spreader. An initial lease liability was recorded in the amount of $31,776. As of June 30, 2023 the value of the lease liability was $23,191. The College is required to make monthly fixed payments of $921. The lease has an interest rate of 2.8490%. The value of the right-to-use asset at June 30, 2023 was $31,776 with accumulated amortization of $8,444 for a net value of $23,332. The accrued interest payable at June 30, 2023 was $0.

At June 30, 2023, the outstanding lease payables are as follows:

	Beginning Balance	Lease Additions	Leases Payment	Interest Expense	Ending Balance	Accrued Interest
College Wide Copiers	$ 19,259	$ -	$ 19,285	$ 26	$ -	$ -
Grand Strand Dumpsters	128,600	-	32,151	1,138	97,587	76
Toro Mowers and Spreader	1,893	-	1,894	1	-	-
Xerox PrimLink C9070 Copier	36,500	-	9,346	381	27,535	26
Xerox Versant V180B Copier	29,521	-	29,621	100	-	-
Toro Mower and Spreader	-	31,776	9,208	623	23,191	-
College Wide Leases	-	170,485	12,378	1,880	159,987	-
Total	$ 215,773	$ 202,261	$ 113,883	$ 4,149	$ 308,300	$ 102

Listed below is a summary of the lease payments to maturity of the outstanding leases payable:

	Principal	Interest	Total
2024	$ 83,092	$ 6,591	$ 89,683
2025	84,932	4,751	89,683
2026	77,517	2,958	80,475
2027	38,316	1,500	39,816
2028	24,443	314	24,757
	$ 308,300	$ 16,114	$ 324,414

NOTE 11 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY SOFTWARE ARRANGEMENTS

Helio Campus Software
On July 1, 2022, the College entered into a 60 month subscription for the use of Helio Campus software. An initial subscription liability was recorded in the amount of $186,615. As of June 30, 2023, the value of the subscription liability is $151,500. The College is required to make annual fixed payments of $40,824. The subscription has an interest rate of 3.0680%. The value of the right-to-use asset as of June 30, 2023 of $186,615 with accumulated amortization of $37,323 for a net value of $149,292.

Evisions
On July 1, 2022, the College entered into a 36 month subscription for the use of Evisions. An initial subscription was recorded in the amount of $113,698. As of June 30, 2023, the value of the subscription liability is $78,385. The College is required to make escalating payments over the lease term. The subscription has an interest rate of 2.849%. The value of the right-to-use asset as of June 30, 2023 is $113,698 with accumulated amortization of $37,899 for a net value of $75,799.

NOTE 11 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY SOFTWARE ARRANGEMENTS (continued)

Page Up
On July 1, 2022, the College entered into a 60 month subscription for the use of Page Up. An initial subscription liability was recorded in the amount of $277,829. As of June 30, 2023, the value of the subscription liability is $225,551. The College is required to make annual fixed payments of $60,778. The subscription has an interest rate of 3.068%. The value of the right-to-use asset as of June 30, 2023 is $277,829, with accumulated amortization of $55,566 for a net value of $222,263.

Kaltura
On July 1, 2021, the College entered into a 34 month subscription for the use of Kaltura. An initial subscription liability was recorded in the amount of $50,063. As of June 30, 2023, the value of the subscription liability is $0. The College is required to make annual payments of $25,920. The subscription has an interest rate of 2.6540%. The value of the right-to-use asset at June 30, 2023 is $50,063 with accumulated amortization of $35,338 for a net value of $14,725.

Turnitin
On July 1, 2021, the College entered into a 27 month subscription for the use of Turnitin. An initial subscription liability was recorded in the amount of $53,367. As of June 30, 2023, the value of the subscription liability is $18,720. The College is required to make escalating payments over the lease term. The subscription has an interest rate of 2.6540%. The value of the right-to-use asset as of June 30, 2023 is $53,367 with accumulated amortization of $32,348 for a net value of $21,219.

Red Hat
On July 1, 2021, the College entered into a 27 month subscription for the use of Red Hat. An initial subscription liability was recorded in the amount of $62,447. As of June 30, 2023, the value of the subscription liability is $0. The College is required to make annual fixed payments of $31,795. The subscription has an interest rate of 2.239%. The value of the right-to-use asset as of June 30, 2023 is $62,447 with accumulated amortization of $51,678 for a net value of $10,769.

TouchNet
On July 1, 2021, the College entered into a 73 month subscription for the use of TouchNet. An initial subscription liability was recorded in the amount of $190,190. As of June 30, 2023, the value of the subscription liability is $135,710. The College is required to make annual fixed payments of $29,855. The subscription has an interest rate of 3.2620%. The value of the right-to-use asset as of June 30, 2023 is $190,190 with accumulated amortization of $54,082 for a net value of $136,108.

At June 30, 2023, the outstanding subscription liabilities are as follows:

	Subscription Liability Beginning Balance	New Subscriptions	Subscription Payment	Interest Expense	Subscription Liability Ending Balance	Accrued Interest
Helio Campus	$ -	$ 186,615	$ 40,824	$ 5,709	$ 151,500	-
Evisions	-	113,698	38,543	3,230	78,385	-
Page Up	-	277,829	60,778	8,500	225,551	-
Kaltura	25,250	-	25,920	670	-	-
Turnitin	36,099	-	18,337	958	18,720	372
Red Hat	31,099	-	31,795	696	-	-
TouchNet	160,335	-	29,855	5,231	135,711	4,427
	$ 252,783	$ 578,142	$ 246,052	$ 24,994	$ 609,867	4,799

NOTE 11 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY SOFTWARE ARRANGEMENTS (continued)

Listed below is a summary of subscription payments to maturity of the outstanding subscriptions payable:

	Principal	Interest	Total
2024	$ 172,034	$ 18,725	$ 190,759
2025	159,587	16,288	175,875
2026	122,758	11,558	134,316
2027	126,576	6,635	133,211
2028	28,912	943	29,855
Total	$ 609,867	$ 54,149	$ 664,016

NOTE 12 - RELATED PARTIES

Certain separately chartered legal entities exist, whose activities are related to those of the College, primarily to provide financial assistance and other support to the College and its educational programs. Financial statements for these entities are audited by independent auditors and retained by them. They include the Horry - Georgetown Technical College Foundation, Inc.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB Statement No. 39 as amended by GASB Statement No. 61. Because of the nature and significance of its relationship with the College, the Foundation is considered a component unit of the College. Following is a more detailed discussion of this entity and a summary of significant transactions (if any) between this entity and the College for the year ended June 30, 2023.

The Horry - Georgetown Technical College Foundation, Inc.
The Foundation is a separately chartered corporation organized exclusively to receive and manage private funds for the exclusive benefit and support of the College. The Foundation's activities are governed by its Board of Directors who are not members of the College's Board of Directors.

The College recorded non-governmental gift receipts of $1,582,886 from the Foundation in nonoperating revenues for the fiscal year ended June 30, 2023. These funds were used primarily to support the College by way of program development, construction projects, and program support. The Foundation reimbursed the College $400,696 for purchases made by the College on behalf of the Foundation. The College provides office space and support services to the Foundation. The value of this office space and support services was approximately $16,000 for the year ended June 30, 2023. The College paid $39,785 to the Foundation for expenditures for the College made by the Foundation.

The Foundation's assets as of June 30, 2023 were $15,384,251. As of June 30, 2023 the Foundation had $873,621 in receivables, primarily due from donors (via pledges) and $69,569 in outstanding liabilities.

NOTE 13 - RISK MANAGEMENT

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

NOTE 13 - RISK MANAGEMENT (continued)

Unemployment compensation benefits
Worker's compensation benefits for job-related illnesses or injuries
Health and dental insurance benefits
Long-term disability and group-life insurance benefits

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

Theft, damage to, or destruction of assets
Real property, its contents, and other equipment
Motor vehicles and watercrafts
Torts
Natural disasters

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially. The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

NOTE 14 - NATIONAL FEDERAL DIRECT SUBSIDIZED AND UNSUBSIDIZED STAFFORD LOANS

The College participates in the National Federal Direct Subsidized and Unsubsidized Stafford Loan Program, which allows the College to disburse federal loans to students which are administered by the U.S. Department of Education. The loan activity is not reported in the accompanying financial statements because the responsibility for administration and collection passes to the U.S. Department of Education after the loans are disbursed. The College made loan disbursements of $13,532,361 under this program during the fiscal year 2023.

NOTE 15 – CUSTODIAL FUNDS

The College accounts for the GCSAA account as a custodial fund. This organization exists for the benefit of the golf course department. The department raises the funds and disburses the funds raised for charitable purposes. The College does not have any administrative control over these funds. The College also accounts for HGTC Employee Hardship Fund as a custodial fund. The College raises the funds and disburses the funds raised for charitable purposes. The assets are reported in the financial statements along with a liability for funds held for others.

The following is a summary of the changes in the Student Activity Fund:

	June 30, 2022 Balance	Receipts	Disbursements	June 30, 2023 Balance
GCSAA	$ 23,364	$ 2,000	$ -	$ 25,364
HGTC Employee Hardship Fund	-	506	-	506
Total	$ 23,364	$ 2,506	$ -	$ 25,870

NOTE 16- LONG-TERM LIABILITIES

Horry – Georgetown Technical College entered into a financing lease agreement with Presidio for equipment. Future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2023, are as follows:

Financing Lease Repayment	
2024	$ 9,682
2025	4,838
Total Minimum Lease Payments	14,520
Less Amounts Representing Interest	(770)
Present Value	$ 13,750

Long-term liabilities activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due within one year
Financing Lease	$ 22,142	$ 0	$ 8,392	$ 13,750	$ 9,004
Compensated Absences Payable	1,732,752	180,930	181,917	1,731,765	92,361
	$ 1,754,894	$ 180,930	$ 190,309	$ 1,745,515	$ 101,365

NOTE 17 - SALES/PURCHASES WITH OTHER SC HIGHER EDUCATION INSTITUTIONS

The College had significant financial transactions with other South Carolina public institutions of higher education during the fiscal year. The College provided goods and/or services to other South Carolina higher education institutions for a fee during the fiscal year ending June 30, 2023, as listed below:

Institution	Amount
Central Carolina Technical College	$ 100
Coastal Carolina University	4,203
Clemson University	4,000
Greenville Technical College	16,500
USC - Columbia	330
Total	$ 25,133

The College received goods and/or services from other South Carolina higher education institutions for a fee during the fiscal year ending June 30, 2023, as listed below:

Institution	Amount
Central Carolina Technical College	$ 4,000
Coastal Carolina University	2,161,061
The Citadel	1,800
Midlands Technical College	2,385
Trident Technical College	350
Williamsburg Technical College	903
Total	$ 2,170,499

NOTE 18 - STATE APPROPRIATIONS

State funds for operations for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner.

The following is a detailed schedule of State appropriations revenue reported in the financial statements for the fiscal years ending June 30, 2023 and June 30, 2022:

NON-CAPITAL APPROPRIATIONS	2023	2022
Appropriations per Annual Appropriations Act	$ 14,497,713	$ 13,165,424
Pathways to Prosperity	37,876	31,579
Critical Needs Workforce Alloc - Proviso 25.4	205,211	188,136
Workforce Scholarships and Grants	387,569	-
Critical Needs Nursing Initiative – Proviso 5A.27	33,264	32,798
Total non-capital appropriations recorded as current year revenue	$ 15,161,633	$ 13,417,937

NOTE 19 - OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the years ended June 30, 2023 and June 30, 2022 is summarized as follows:

June 30, 2023

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Serv.	Depreciation	Total
Instruction	$ 17,179,975	$ 6,115,875	$ -	$ -	$ 5,109,208	$ -	$ 28,405,058
Academic Support	2,718,771	1,168,244	-	-	1,439,209	-	5,326,224
Student Services	3,272,525	1,755,924	-	-	1,323,864	-	6,352,313
Operation & Maintenance of Plant	1,558,266	589,423	-	1,718,188	3,221,538	-	7,087,415
Institutional Support	3,482,910	1,760,826	-	-	10,237,128	-	15,480,864
Scholarships	117,035	-	15,759,853		-	-	15,876,888
Auxiliary Enterprises	-	-	-	-	62,626	-	62,626
Depreciation	-	-	-	-	-	5,986,297	5,986,297
Total Operating Exp.	$ 28,329,482	$ 11,390,292	$ 15,759,853	$ 1,718,188	$ 21,393,573	$ 5,986,297	$ 84,577,685

June 30, 2022

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Serv.	Depreciation	Total
Instruction	$ 15,371,692	$ 6,787,418	$ -	$ -	$ 4,142,367	$ -	$ 26,301,477
Academic Support	2,576,025	1,292,340	-	-	1,921,027	-	5,789,392
Student Services	2,970,716	1,737,519	-	-	1,322,501	-	6,030,736
Operation & Maintenance of Plant	1,280,724	673,665	-	1,649,834	3,045,604	-	6,649,827
Institutional Support	2,983,361	1,446,313	-	-	8,389,810	-	12,819,484
Scholarships	27,726	-	20,840,805	-	-	-	20,868,531
Auxiliary Enterprises	1,063	13,933	-	-	61,017	-	76,013
Depreciation	-	-	-	-	-	5,310,089	5,310,089
Total Operating Exp.	$ 25,211,307	$ 11,951,188	$ 20,840,805	$ 1,649,834	$ 18,882,326	$ 5,310,089	$ 83,845,549

NOTE 20 – TAX ABATEMENTS

The College does not negotiate or enter into an agreement for tax abatements. The College is subject to any tax abatement agreements entered by Horry County. Horry County provides tax abatement incentives through three programs to encourage economic development, attract new businesses, and retain existing businesses – Fee in Lieu of Tax, Multi-County Business Parks, and Special Source Revenue Credits:

- A Fee in Lieu of Tax (FILOT) is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of $2,500,000 within a 5-6 year investment period (beginning with date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over term of FILOT to equalize payments. Repayment of incentive is required by state law if taxpayer fails to meet statutory minimum investment requirement. Other recapture provisions may be negotiated (such as a pro rata clawback for failure to meet and/or maintain jobs/investment).

- A Multi-County Business Park (MCBP) is authorized under Article VIII, Section 13(d) of the Constitution of South Carolina, as amended and South Carolina Title 4, Chapter 1. A MCBP is used to promote the economic welfare of their citizens by inducing businesses to invest in the Counties through the offer of benefits available under South Carolina law pursuant to multi-county business park arrangements. The designation as a MCBP provides that all real and personal property located in the Park shall be exempt from all ad valorem taxation. This is typically used in the creation of a FILOT or SSRC, but also has the additional benefit of exemption of property from the rollback taxes when the property was previously taxed as agricultural property. When agricultural real property is applied to a use other than agricultural, it is subject to additional taxes, referred to as rollback taxes. The amount of the rollback taxes is equal to the sum of the differences, if any, between the taxes paid or payable on the basis of the fair market value for agricultural purposes and the taxes that would have been paid or payable if the real property had been valued, assessed, and taxed as other real property in the taxing district (except the value of standing timber is excluded), for the current tax year (the year of change in use) and each of the immediately preceding five tax years.

- A Special Source Revenue Credit (SSRC) is authorized under South Carolina Code Sections 4-29-68, 4- 1-170, and 12-44-70. The SSRC is used to encourage investment and provides a credit against property taxes in the form of a percentage reduction or a dollar amount reduction. County manually applies SSRC to reduce applicable property tax bill. To receive the credit, a business must incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft.

For the fiscal year ended June 30, 2023, the County abated College property tax revenues of $4,718 under agreements entered into by the County. The table below summarizes the tax abatements by program:

Tax Abatement Program	Horry County Abatement
Fee In Lieu of Tax (FILOT)	$ 4,429
Multi-County Business Park (Rollback Taxes)	-
Special Source Revenue Credit (SSRC)	289
Total	$ 4,718

NOTE 20 – TAX ABATEMENTS (continued)

The College has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

- A FILOT agreement with a medical facility located in the unincorporated area of Horry County. This agreement was completed in 2021. The abatement amounted to $2,388.
- A FILOT agreement with a manufacturer for relocation of their existing facility located in unincorporated area of Horry County. The agreement was completed in 2013. The abatement amounted to $847.
- A FILOT agreement with a manufacturer for expansion of their existing facility located in the Atlantic Center Industrial Park. This agreement was completed in 2009. The abatement amounted to $382.
- A FILOT agreement with a forest product manufacturer for expansion of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2003. The abatement amounted to $425.

The College has not made any commitments as part of the agreements other than to reduce property taxes.

NOTE 21 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections*, to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. The requirements of this statement are effective for periods beginning after June 15, 2023.

GASB has issued Statement No. 101, *Compensated Absences*, to align the recognition and measurement guidance under a unified model and to amend certain previously required disclosures. This standard is effective for periods beginning after December 15, 2023.

NOTE 22 – NET ASSET RESTATEMENT

Fiscal Year 2022

GASB Statement 96 Restatement	
Net Position, End of Year, As Originally Reported	$ 88,574,142
GASB 96 Restatement of Intangible Right to Use Asset (Net of Accumulated Amortization)	272,241
Subscription Liability	(252,783)
Accrued Interest on Leases	(6,447)
Net Position, End of Year, As Restated	$ 88,587,186
Error Corrections:	
Understatement of Prior Year Accounts Receivable – ERC Credit	$ 5,299,700
Understatement of Prior Year Liability	(104,252)
Net Position, End of Year, As Restated	$ 93,782,601

REQUIRED SUPPLEMENTARY INFORMATION

HORRY - GEORGETOWN TECHNICAL COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
South Carolina Retirement System (SCRS)										
College's proportion of the net pension liability (asset)	0.188147%	0.190142%	0.190836%	0.195324%	0.192974%	0.192319%	0.191139%	0.194067%	0.192164%	
College's proportionate share of the net pension liability (asset)	$ 45,610,914	$ 41,149,107	$ 48,761,930	$ 44,600,613	$ 43,239,281	$ 43,294,100	$ 40,827,008	$ 36,805,742	$ 33,084,270	$
College's covered payroll	$ 18,675,160	$ 18,612,259	$ 17,694,332	$ 17,936,760	$ 16,582,034	$ 15,795,240	$ 14,843,066	$ 14,632,645	$ 14,287,047	$
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	244.20%	221.10%	275.60%	248.70%	260.80%	274.10%	275.10%	251.50%	231.57%	
Plan fiduciary net position as a percentage of the total pension liability	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	
South Carolina Police Officer Retirement System (PORS)										
College's proportion of the net pension liability (asset)	0.004835%	0.005188%	0.005705%	0.006421%	0.001421%	0.000000%	0.007120%	0.007680%	0.007870%	
College's proportionate share of the net pension liability (asset)	$ 145,013	$ 133,483	$ 189,181	$ 184,012	$ 40,260	$ -	$ 180,546	$ 167,298	$ 150,608	$
College's covered payroll	$ 69,364	$ 74,741	$ 78,629	$ 83,920	$ 17,952	$ -	$ 78,726	$ 82,705	$ 81,312	$
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	209.00%	178.60%	240.60%	213.30%	224.30%	N/A	229.40%	202.40%	85.22%	
Plan fiduciary net position as a percentage of the total pension liability	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%	

Notes: The amount presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

The College is retroactively reporting data back to the year of GASB Statement No. 68 implementation, which was fiscal year ending 2015. Information on the proportionate share of net pension liability is not available prior to that fiscal year.

HORRY - GEORGETOWN TECHNICAL COLLEGE
SCHEDULE OF THE COLLEGE CONTRIBUTION
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
South Carolina Retirement System (SCRS)										
Contractually required contribution	$ 4,136,102	$ 3,514,902	$ 3,149,245	$ 3,117,589	$ 2,803,789	$ 2,508,439	$ 2,224,667	$ 2,047,121	$ 1,983,903	$ 1,849,447
Contributions in relation to the contractually required contribution (see note)	(4,136,102)	(3,514,902)	(3,149,245)	(3,117,589)	(2,803,789)	(2,508,439)	(2,224,667)	(2,047,121)	(1,983,903)	(1,849,447)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
College's covered payroll	$ 26,599,623	$ 24,156,533	23,233,050	22,972,238	22,240,950	21,670,437	21,110,861	20,162,012	19,794,088	$ 19,213,096
Contributions as a percentage of covered payroll	15.55%	14.55%	13.55%	13.57%	12.60%	11.57%	10.54%	10.15%	10.02%	9.62%
South Carolina Police Officer Retirement System (PORS)										
Contractually required contribution	$ 14,748	$ 13,790	$ 14,393	$ 14,786	$ 17,417	$ 0	$ 888	$ 12,468	$ 12,753	$ 12,149
Contributions in relation to the contractually required contribution	(14,748)	(13,790)	(14,393)	(14,786)	(17,417)	0	(888)	(12,468)	(12,753)	(12,149)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
College's covered payroll	$ 77,476	$ 76,525	$ 84,023	$ 86,178	$ 106,435	$ 0	$ 6,238	$ 90,744	$ 95,097	$ 94,616
Contributions as a percentage of covered payroll	19.04%	18.02%	17.13%	17.16%	16.36%	N/A	14.24%	13.74%	13.41%	12.84%

Note: The amounts reported as contributions to the South Carolina Retirement System (SCRS) include the contractually required percentage of the ORP contributions that are remitted to SCRS.

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retirement System (SCRS). This information was obtained from the financial statements of the SCRS, which is administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA).

Summary of Actuarial Methods and Significant Assumptions

	June 30, 2023	June 30, 2022
Actuarial valuation date	07/01/21	07/01/20
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay	Level percent of pay
Amortization period	26-year maximum, closed period	27-year maximum, closed period
Asset Valuation method	5-year smoothed	5-year smoothed
Inflation rate	2.25%	2.25%
Projected salary increases	3.0% to 11.0% varies by service[1]	3.0% to 11.0% varies by service[1]
Investment rate of return	7.0%	7.00%
Benefit adjustments	Lesser of 1.0% or $500 annually	Lesser of 1.0% or $500 annually
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables	The 2020 Public Retirees of South Carolina Mortality Tables

[1] *Pension reform legislation enacted effective July 1, 2017 schedules the amortization period to be reduced from 30 years to 20 years over a ten-year schedule.*

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Police Officer Retirement System (PORS). This information was obtained from the financial statements of the SCRS, which is administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA).

Summary of Actuarial Methods and Significant Assumptions

	June 30, 2023	June 30, 2022
Actuarial valuation date	07/01/21	07/01/20
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay	Level percent of pay
Amortization period	26-year maximum, closed period	27-year maximum, closed period
Asset Valuation method	5-year smoothed	5-year smoothed
Inflation rate	2.25%	2.25%
Projected salary increases	3.5% to 10.5% varies by service[1]	3.5% to 10.5% varies by service[1]
Investment rate of return	7.00%	7.00%
Benefit adjustments	Lesser of 1.0% or $500 annually	Lesser of 1.0% or $500 annually
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables	The 2020 Public Retirees of South Carolina Mortality Tables

[1] *Pension reform legislation enacted effective July 1, 2017 schedules the amortization period to be reduced from 30 years to 20 years over a ten-year schedule.*

HORRY - GEORGETOWN TECHNICAL COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
South Carolina Retiree Health Insurance Trust Fund										
College's proportion of the net OPEB liability	0.246547%	0.250028%	0.250150%	0.255520%	0.251289%	0.250400%	0.250400%			
College's proportionate share of the net OPEB liability	$ 37,504,338	$ 52,063,783	$ 45,155,693	$ 38,638,520	$ 35,609,121	$ 33,918,302	$ 36,231,622	$	$	$
College's covered payroll	$ 37,504,338	$ 23,421,910	$ 23,167,447	$ 22,355,398	$ 21,647,093	$ 21,112,640	$ 20,376,705	$	$	$
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	154.49%	222.29%	194.91%	172.84%	164.50%	160.54%	177.80%			
Plan fiduciary net position as a percentage of the total OPEB liability	9.64%	7.48%	8.39%	8.44%	7.91%	7.60%	6.62%			
South Carolina Long-Term Disability Insurance Trust Fund										
College's proportion of the net OPEB liability	0.165267%	0.169718%	0.169774%	0.171675%	0.172371%	0.176950%	0.176950%			
College's proportionate share of the net OPEB liability	$ 19,147	$ 5,393	$ 515	$ 3,379	$ 5,277	$ 3,208	$ 1,228	$	$	$
College's covered payroll	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$	$	$
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Plan fiduciary net position as a percentage of the total OPEB liability	75.04%	92.80%	99.29%	95.17%	92.20%	95.29%	98.15%			

Notes: The OPEB schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

The amount presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

HORRY - GEORGETOWN TECHNICAL COLLEGE
SCHEDULE OF THE COLLEGE CONTRIBUTIONS - OPEB PLANS
LAST 10 FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
South Carolina Retiree Health Insurance Trust Fund										
Contractually required contribution	$ 1,667,319	$ 1,514,566	$ 1,457,317	$ 1,441,151	$ 1,352,017	$ 1,191,874	$ 1,125,541	$	$	$
Contribution in relation to the contractually required contribution (see note)	(1,667,319)	(1,514,566)	(1,457,317)	(1,441,151)	(1,352,017)	(1,191,874)	(1,125,541)			
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$	$	$
College's covered payroll	$ 26,599,623	$ 24,156,533	23,233,050	23,058,416	22,240,950	21,670,436	21,117,099			$
Contributions as a portion of covered payroll	6.27%	6.27%	6.27%	6.25%	6.07%	5.50%	5.32%			
South Carolina Long-Term Disability Insurance Trust Fund										
Contractually required contribution	$ 12,993	$ 11,634	$ 8,661	$ 12,726	$ 22,587	$ 13,735	$ 12,809	$	$	$
Contribution in relation to the contractually required contribution	(12,993)	(11,634)	(8,661)	(12,726)	(22,587)	(13,735)	(12,809)			
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$	$	$
College's covered payroll	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$	$	$
Contributions as a portion of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A			

Notes: The OPEB schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

The amounts reported as contributions to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) include the contractually required contributions to the SCRHITF and SCLTDITF.

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and South Carolina Long-Term Disability Trust Fund (SCLTDTF). This information was obtained from the financial statements of South Carolina Public Employee Benefit Authority (PEBA), Insurance Benefits and Other Post-Employment Benefits Trust Funds for the year ended June 30, 2022.

Summary of Actuarial Methods and Significant Assumptions

Actuarial Assumptions:	**SCRHITF**
Valuation Date	June 30, 2021
Actuarial Cost Method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate	3.69% as of June 30, 2022
Demographic Assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality Assumptions	For healthy retirees, The gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale MP-2019 to account for future mortality improvements.
Healthcare Trend Rates	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Participation Assumptions	79% participation for retirees who are eligible for Funded Premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums.
Notes	The discount rate changed from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

Summary of Actuarial Methods and Significant Assumptions (continued)

Actuarial Assumptions:	**SCLTDITF**
Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	3.00%, net of plan investment expense; including inflation
Single Discount Rate	3.41% as of June 30, 2022
Salary, Termination Rates, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence	The disability incidence rates used in the LTD valuation are 165% of the rates developed for the pension plans.
Disability Recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses were included in the benefit projections
Notes	The single discount rate changed from 2.48% as of June 30, 2021 to 3.41% as of June 30, 2022.

Roll Forward Disclosures

The actuarial valuation were performed as of June 30, 2021. Update procedures were used to roll forward the total OPEB liability to June 30, 2022.

SINGLE AUDIT ACT REQUIREMENTS

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Project Number	Federal CFDA Number		Expenditures
U.S. Department of Education				
Direct programs				
TRIO Cluster				
TRIO - Upward Bound	P047A170732	84.047A	$	232,061
TRIO - Student Support Services	P042A151122	84.042A		276,222
Total - Trio Cluster			$	508,283
Student Financial Aid Cluster				
SEOG	P007A103788	84.007	$	233,666
Federal Workstudy		84.033		122,887
PELL	P063P102577	84.063		15,396,460
Direct Federal Subsidized & Unsubsidized Loans	P268K112577	84.268		13,532,361
Total - Student Financial Aid Cluster			$	29,285,374
Education Stabilization Fund				
Direct programs				
HEERF III ARP Institutional - COVID 19	P425F202220	84.425F	$	4,874,603
Total Direct Programs			$	4,874,603
Passed Through SC Technical College				
GEER Funds - COVID 19	33510-19	84.425C	$	42,861
ARP - ESSER Fund Dual Enrollment	ARP Esser	84.425U		329,883
ESSER III Adult Education - COVID 19	H5901ESSER22	84.425D		43,076
Total Passed through SC Technical College			$	415,820
Total Education Stabilization Fund			$	5,290,423
Pass Through State Dept. of Education:				
Perkins III	H63010107121	84.048	$	508,433
Perkins III Reserve	H63010107121	84.048		78,910
SC Create	H027A210081	84.027A		88,152
Total Pass Through State Dept. of ED.			$	675,495
Total U.S. Department of Education			$	35,759,575

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Project Number	Federal CFDA Number	Expenditures
U.S. Department of Health & Human Service			
Pass Through Greenville Technical College			
Early Childhood Development/ABC Greenville	N/A	93.575	$ 20,722
Total U.S. Department of Health & Human Service			$ 20,722
U.S. Department of Labor			
Direct Program			
SC Apprenticeship Initiative	H5901APPRE16	17.268	$ 30,468
ACE Grant	H5901EXPAN20	17.285	85,395
Total U.S. Department of Labor			$ 115,863
U.S. Department of Agriculture			
Direct Program			
USDA Forestry Service	N/A	10.699	$ 7,337
Total U.S. Department of Agriculture			$ 7,337
U.S. Department of Defense			
Pass Through Office of Navel Research			
Cybersecurity ONR	1000010442	12.300	$ 130,771
Total U.S. Department of Defense			$ 130,771
Total Federal Programs			$ 36,034,268

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Horry - Georgetown Technical College and is presented on the accrual basis, the same basis of accounting used to prepare the basic financial statements as described in Note 1 of the financial statements.

The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Uniform Guidance, Audits of States, Local Governments, and Non Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the basic financial statements (or reported in the federal financial reports).

2. FEDERAL NON-CASH ASSISTANCE

Horry - Georgetown Technical College did not receive or expend federal awards in the form of non-cash assistance and had no federal loan guarantees at June 30, 2023.

3. DETERMINATION OF MAJOR PROGRAMS

Major federal programs were determined in accordance with the Uniform Guidance. For the year ended June 30, 2023, the following program was determined to be a major program in accordance with the Uniform Guidance: Student Financial Aid Cluster and Education Stabilization Fund.

4. RECONCILIATION OF CURRENT FUND REVENUES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Total per Expenditures of Federal Awards	$ 36,034,268
Total Federal Revenue	
Federal Grants Operating	$ 7,105,447
Non Operating Grant	15,396,460
	$ 22,501,907
Federal Direct Loans	
Subsidized, Unsubsidized & Plus Stafford Loans	$ 13,532,361
Total Federal Expenditures	$ 36,034,268

5. FEDERAL DIRECT LOANS

Federal Direct Loans were disbursed in the amount of $13,532,361 have not been recorded as revenues in the financial statements as administration and collection passes to the U.S. Department of Education after the loans are disbursed.

6. TYPE A PROGRAM DOLLAR THRESHOLD

The dollar threshold for Type A programs was $1,081,028.

7. INDIRECT COST

The College has not elected to use the 10% de minimis indirect cost rate.

8. PASS THROUGH GRANTS

Horry – Georgetown Technical College did not provide any federal awards to sub recipients for the year ended June 30, 2023.

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Certified Public Accountants
"SINCE 1977"

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Robin B. Poston CPA

Stacey C. Moree CPA
Wyndie B. Moree CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Horry – Georgetown Commission for Technical Education
Horry – Georgetown Technical College
Conway, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Horry – Georgetown Technical College, as of and for the year ended June 30, 2023 and the related notes to the financial statements which collectively comprise Horry – Georgetown Technical College's basic financial statements and have issued our report thereon dated September 28, 2023. Our report includes a reference to other auditors who audited the financial statements of Horry – Georgetown Technical College Educational Foundation, Inc., as described in our report on Horry – Georgetown Technical College's financial statements. The financial statements of Horry – Georgetown Technical College Educational Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Horry – Georgetown Technical College Educational Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Horry – Georgetown Technical College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Horry – Georgetown Technical College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
September 28, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Horry – Georgetown Commission for Technical Education
Horry – Georgetown Technical College
Conway, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Horry – Georgetown Technical College's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Horry – Georgetown Technical College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Horry – Georgetown Technical College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Horry – Georgetown Technical College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Horry – Georgetown Technical College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies, such that there are is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Georgetown, South Carolina
September 28, 2023

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF THE AUDITOR'S RESULTS

1. The independent auditor's report on the financial statements expresses an unmodified opinion.

2. No significant deficiencies were disclosed during the audit of the basic financial statements as reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

3. The audit disclosed no instances of non-compliance in relation to the financial statements.

4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.

5. The report on compliance for major programs expressed an unmodified opinion.

6. The audit disclosed no audit findings that are required to be reported in accordance with the Uniform Guidance.

7. The major programs of Horry - Georgetown Technical College included in the audit were:

Programs	CFDA #
Student Financial Aid Cluster	84.033, 84.007, 84.063, 84.268
Education Stabilization Fund	84.425F, 84.425E, 84.425C, 84.425M , 84.425U

8. The dollar threshold for Type A programs for Horry-Georgetown Technical College was $1,081,028.

9. Horry - Georgetown Technical College qualifies as a low-risk auditee.

FINDINGS IN RELATION TO THE AUDIT OF THE FINANCIAL STATEMENTS

1. No matters were reported.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. No matters were reported.

HORRY - GEORGETOWN TECHNICAL COLLEGE
CONWAY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Prior Year Findings – Financial Statement Audit

No matters were reported.

Prior Year Findings – Major Federal Award Programs

No matters were reported.