



UNIVERSITY OF
GEORGIA



ANNUAL FINANCIAL REPORT

(INCLUDING INDEPENDENT AUDITOR'S REPORT)

FISCAL YEAR ENDED
JUNE 30, 2024

UNIVERSITY OF GEORGIA
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INTRODUCTORY SECTION



UNIVERSITY OF
GEORGIA

Message from the President
Fiscal Year 2024 Report to the Board of Regents

In FY24, the University of Georgia reached new heights of excellence across all facets of our mission while our students, faculty, and programs earned national and international recognition. These achievements were facilitated by the invaluable support we received from the University System of Georgia Board of Regents.

In February, the Board of Regents authorized UGA to establish an independent School of Medicine, ushering in a new era for the state and our institution. The University received nearly \$34 million from donors, the UGA Foundation, and the UGA Research Foundation through the end of FY24 to match the \$50 million in funds allocated by the state to build a new medical education and research facility on our Health Sciences Campus. As of September 17, private matching funds have reached \$43 million. Over the summer, planning and design of the new facility continued, while Founding Dean Shelley Nuss and her team continued working toward accreditation, secured several hospital affiliation agreements, and hired key administrators and faculty.

Overall, nearly 70,000 donors gave a record \$275.2 million in FY24 to support facilities, students, faculty, and more. UGA's three-year-rolling fundraising average is now over \$258 million, another all-time high. Donors added 127 new scholarships spanning all schools and colleges in FY24. Availability of financial aid to our students and low student debt of UGA graduates are two of the factors that contributed to the University being named one of the nation's best values in higher education by *The Princeton Review* this year. Donor support also helped propel the Morehead Honors College to national distinction as the top honors program in the country by expanding the number of scholarships and learning opportunities available to Honors students.

We were proud that Foundation Fellow Mariah Cady was named a 2024 Rhodes Scholar, marking the fourth time UGA students have won back-to-back Rhodes Scholarships. In addition, Foundation Fellow Alex Drahos was named a Truman Scholar, Foundation Fellow Ashni Patel was named a Schwarzman Scholar, and two UGA students were named Goldwater Scholars. The University also was named a top producer of Boren Scholars and Fulbright U.S. students, while the Institute of International Education ranked UGA sixth in the nation for the number of students who study abroad and third for short-term program participation. UGA welcomed one of its largest and most academically qualified freshman classes ever last fall. The 6,200 first-year students in the Class of 2027 were selected from 43,500 applicants, a new record. Completion rates remained strong in FY24, with 75% of UGA students completing their degrees within four years and 88% graduating within six years. The latest career outcomes survey conducted by the UGA Career Center found that 96% of students in the Class of 2023 were employed or continuing their education within six months of graduation.

Reflecting UGA's consistently strong performance across several metrics, *U.S. News & World Report* ranked the University of Georgia in the top 20 among public institutions for the eighth consecutive year last fall and ranked several UGA graduate programs among the top 10 in their fields. Niche ranked UGA No. 9 on its list of top public universities and No. 3 for best student life in America. The University also received top-10 rankings from Niche in a number of other categories, including academics, value, and athletics. *Forbes* placed UGA on its list of the top 25 public colleges in the nation, while *Money* magazine highlighted the University on its list of best colleges in America. The School of Law's J.D. program and the Terry College of Business's full-time MBA program were named the top values in their fields. And in the arts and humanities, a book published by *The Georgia Review* and the University of Georgia Press was selected as the 2024 Pulitzer Prize winner for poetry.

In research, sponsored awards soared to an all-time high, climbing more than 40% from five years ago, while overall R&D expenditures reached \$571 million, a new record representing a 63% increase over the past decade. UGA was again ranked first in the nation for sending research-based products to market—a list the University has topped in five of the last nine years. Three more UGA faculty members were elected as Fellows of the American Association for the Advancement of Science in FY24, bringing our total to 45. Dr. Jenna Jambeck in the College of Engineering was named SEC Professor of the Year, making UGA the first institution to have three faculty members earn this honor since the program began

in 2012. In addition, a new Poultry Science Building was dedicated in October, helping to ensure the University of Georgia remains a global leader in poultry R&D.

The University's positive economic impact on our home state is now estimated at \$8.1 billion per year. In FY24, the Planning Rural Opportunities for Prosperity and Economic Leadership (PROPEL) program, one of UGA's many economic development efforts, received top national honors from University Economic Development Association for its economic impact on communities. The University also signed a groundbreaking agreement with the U.S. Army authorized for up to \$100 million over 10 years to increase the resilience of military installations and enhance economic development in surrounding communities.

We are grateful for the continued support of the University System of Georgia Board of Regents, and we look forward to the many ways we will continue to expand UGA's positive impact through teaching, research, and service in the year ahead.

Jere W. Morehead
President

Letter of Transmittal

September 25, 2024

To: Jere W. Morehead, President, University of Georgia

The University of Georgia Annual Financial Report (AFR) includes the financial statements for the year ended June 30, 2024, as well as other useful information to help ensure the University's accountability and integrity to the public. The AFR also includes the Management Discussion and Analysis, with all necessary disclosures to assist the reader in gaining a broader and more thorough understanding of the University's financial position as a result of operations for the fiscal year ended June 30, 2024.

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

The University's system of internal controls is sound and sufficient to disclose material deficiencies in controls to management and to auditors. Additionally, the system of internal controls provides management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition.

The University's financial records are audited by the State of Georgia Department of Audits and Accounts (DOAA) on an annual basis. The University of Georgia's internal auditors also perform fiscal compliance and performance reviews, sharing the results with the University's management. The audit of the University's schedule of expenditures of federal awards and supplemental schedule of governmental, restricted accounts by agency is performed by Cherry Bekaert and submitted to the Georgia Department of Audits and Accounts in conjunction with the statewide Single Audit.

Respectfully submitted,

Ryan A. Nesbit
Vice President for Finance and Administration

Chad Cleveland
Associate Vice President for Finance

Allison Davis
Controller



FINANCIAL SECTION



UNIVERSITY OF
GEORGIA



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Regents of the University System of Georgia
and
Mr. Jere W. Morehead, President
University of Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the University of Georgia (University), a unit of the University System of Georgia, which is an organizational unit of the State of Georgia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the University as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the aggregate discretely presented component units were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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. The other auditors audited the financial statements of the aggregate discretely presented component units in accordance with GAAS but not in accordance with *Government Auditing Standards*, except for the University of Georgia Research Foundation, Inc.

We are required to be independent of the University 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the University are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only those portions of the business-type activities, aggregate discretely presented component units, and fiduciary activities of the State of Georgia that are attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2024, the changes in its financial position or, where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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 the University'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 GAAS 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 GAAS 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 the University'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 the University'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 appropriate evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the University'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 solely 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 University'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 University's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,



Greg S. Griffin
State Auditor

December 13, 2024

UNIVERSITY OF GEORGIA

Management’s Discussion and Analysis

Introduction

The University of Georgia (University) is one of the 26 institutions of higher education of the University System of Georgia. The University of Georgia is incorporated by an act of the General Assembly on January 27, 1785, and Georgia thus became the first state to charter a state-supported institution.

The University of Georgia, a land-grant and sea-grant University with state-wide commitments and responsibilities is the state’s flagship institution of higher education. It is also the state’s oldest, most comprehensive, and most diversified institution of higher education. Its motto, “to teach, to serve, and to inquire into the nature of things,” reflects the University’s integral and unique role in the conservation and enhancement of the state’s and nation’s intellectual, cultural, and environmental heritage. As a comprehensive land-grant and sea-grant institution, the University of Georgia offers baccalaureate, masters, doctoral and professional degrees in the arts, humanities, social sciences, biological sciences, physical sciences, agricultural and environmental sciences, business, engineering, environment and design, family and consumer sciences, forest resources, journalism and mass communication, education, law, pharmacy, social work, veterinary medicine and ecology. A comparison of faculty and student numbers follow:

	<u>Faculty</u>	<u>Students (Headcount)</u>	<u>Students (FTE)</u>
FY 2024	2,188	41,615	39,969
FY 2023	2,115	40,607	38,946
FY 2022	2,059	40,118	38,399

Overview of the Financial Statements and Financial Analysis

The University is pleased to present its financial statements for fiscal year 2024. The emphasis of discussions about these statements will be on the year presented. There are five financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position; and the Statement of Changes in Fiduciary Net Position. This discussion and analysis of the University’s financial statements provides an overview of its financial activities for the year ending June 30, 2024. Comparative data is provided for fiscal year 2024 and fiscal year 2023 for business-type activities only.

Statement of Net Position

The Statement of Net Position is a financial condition snapshot as of June 30, 2024 and includes all assets, liabilities, and deferred inflow and outflow of resources. The differences between current and non-current assets are discussed in the Notes to the Financial Statements. The Statement of Net Position is prepared under the accrual basis of accounting which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the University and how much the University owes vendors. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one indicator of the University’s financial health. Increases or decreases in net position provide an indicator of the improvement or decline of the University’s financial health when considered in conjunction with other non-financial conditions, such as facilities and enrollment.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the University’s equity in property, plant and equipment owned by the University. The next category is restricted, which is divided into two categories, non-expendable and expendable. The corpus of non-expendable, restricted resources is available only for investment purposes. Expendable, restricted resources are available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.

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

A summary comparison of the University's financial position as of June 30, 2024 and June 30, 2023 is as follows:

Statement of Net Position, Condensed

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current Assets	\$ 618,647,927	\$ 693,341,618
Capital Assets, Net	2,248,800,638	2,106,165,052
Intangible Right-to-Use Assets, Net	22,816,375	25,270,756
Other Assets	232,498,866	207,061,965
Total Assets	<u>3,122,763,806</u>	<u>3,031,839,391</u>
Deferred Outflows of Resources	<u>521,505,743</u>	<u>715,273,776</u>
Liabilities		
Current Liabilities	147,142,443	154,805,512
Non-Current Liabilities	2,081,275,547	2,332,404,609
Total Liabilities	<u>2,228,417,990</u>	<u>2,487,210,121</u>
Deferred Inflows of Resources	<u>454,551,431</u>	<u>393,796,410</u>
Net Position		
Net Investment in Capital Assets	2,042,687,273	1,892,669,147
Restricted, Non-expendable	86,999,897	79,896,901
Restricted, Expendable	190,075,626	181,961,136
Unrestricted (Deficit)	<u>(1,358,462,668)</u>	<u>(1,288,420,548)</u>
Total Net Position	<u>\$ 961,300,128</u>	<u>\$ 866,106,636</u>

Total assets and deferred outflows of resources decreased by \$102,843,618, primarily due to a \$45,678,666 reduction in prepaid items for GSFIC managed construction projects completed during the fiscal year and a decrease in deferred outflows of resources of \$193,768,033 due to changes in actuarial estimates for the other postemployment benefits (OPEB) and pension liability plans. Capital Assets increased by \$142,635,586, with \$52,350,229 attributed to capital gifts and intangible right-to-use assets decreased by \$2,454,381, of which \$1,446,979 was related to lease retirements.

Total liabilities and deferred inflows of resources decreased by \$198,037,110 for the year, primarily due to a \$186,023,953 reduction in net other postemployment benefits liability (OPEB), a \$50,943,400 decrease in net pension liability, and a \$60,755,021 increase in deferred inflows of resources related to OPEB and pension liabilities. These changes, totaling a decrease of \$176,212,332, are attributable to changes in assumptions in both plans since the prior year's valuation. For additional information, see Notes 14 and 17. Notes payable obligations consist of financing agreements for acquiring buildings and equipment. Lease and subscription obligations include leases for facilities, office and computer equipment, and other assets that meet the criteria of "right-to-use" assets as described in GASB 87, *Leases*, and GASB 96, *SBITAs*. Notes payable and lease/subscription obligations

decreased by \$13,404,176. Advances decreased by \$11,636,443 due to a reduction in deferred revenue for sponsored projects, while accounts payable and contracts payable increased by \$4,529,147. The combination of changes in total assets and deferred outflows of resources and changes in total liabilities and deferred inflows of resources resulted in an increase in net position of \$95,193,492. This change in net position primarily increases net investment in capital assets by \$150,018,126 and a decreases unrestricted net position by \$70,042,120.

Statement of Revenues, Expenses and Changes in Net Position

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

A summary comparison of the University's activities as of June 30, 2024 and June 30, 2023 is as follows:

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

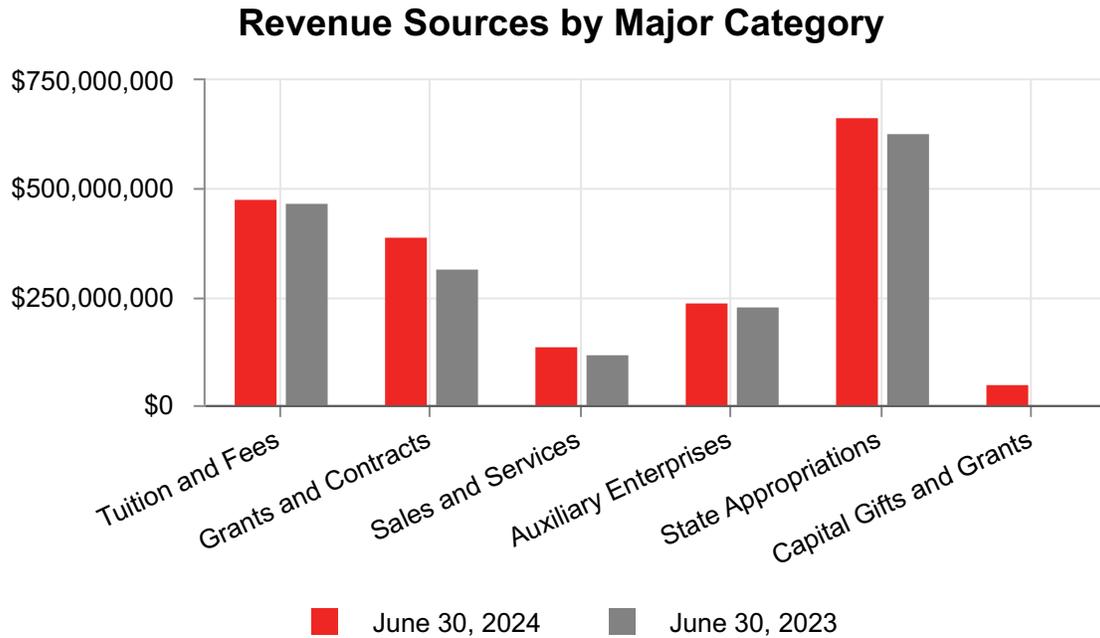
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating Revenue	\$ 1,273,968,776	\$ 1,161,331,276
Operating Expense	<u>2,048,593,372</u>	<u>1,898,545,530</u>
Operating Loss	(774,624,596)	(737,214,254)
Nonoperating Revenue and Expense	<u>817,756,234</u>	<u>781,351,565</u>
Income before Other Revenues, Expenses, Gains, or Losses	43,131,638	44,137,311
Other Revenues, Expenses, Gains, Losses	<u>52,061,854</u>	<u>8,151,571</u>
Change in Net Position	<u>95,193,492</u>	<u>52,288,882</u>
Net Position at Beginning of Year	<u>866,106,636</u>	<u>813,817,754</u>
Net Position at End of Year	<u><u>\$ 961,300,128</u></u>	<u><u>\$ 866,106,636</u></u>

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year in operations. Some highlights of the information presented on this statement are as follows:

Revenue by Source
For the Years Ended June 30, 2024 and June 30, 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating Revenue		
Tuition and Fees	\$ 479,310,196	\$ 467,094,658
Federal Appropriations	16,212,813	17,487,656
Grants and Contracts	390,971,877	318,304,274
Sales and Services	136,294,063	121,753,006
Auxiliary Enterprises	241,324,534	228,148,812
Other Operating Revenues	9,855,293	8,542,870
Total Operating Revenues	<u>1,273,968,776</u>	<u>1,161,331,276</u>
Nonoperating Revenue		
State Appropriations	666,354,113	629,874,648
Grants and Contracts	39,660,385	49,402,546
Gifts	94,044,908	93,687,275
Investment Income	29,096,229	18,858,650
Other Nonoperating Revenues	(1,464,016)	(208,603)
Total Nonoperating Revenues	<u>827,691,619</u>	<u>791,614,516</u>
Capital Gifts and Grants		
State Capital Gifts and Grants	51,955,574	5,003,615
Other Capital Gifts and Grants	394,655	273,537
Total Capital Gifts and Grants	<u>52,350,229</u>	<u>5,277,152</u>
Additions to Permanent and Term Endowments	225,709	2,874,419
Special Items	(499,028)	—
Extraordinary Items	(15,056)	—
Total Revenues	<u>\$ 2,153,722,249</u>	<u>\$ 1,961,097,363</u>

The illustration below is a comparison of the University's revenue sources by major category for the years ended June 30, 2024 and June 30, 2023.

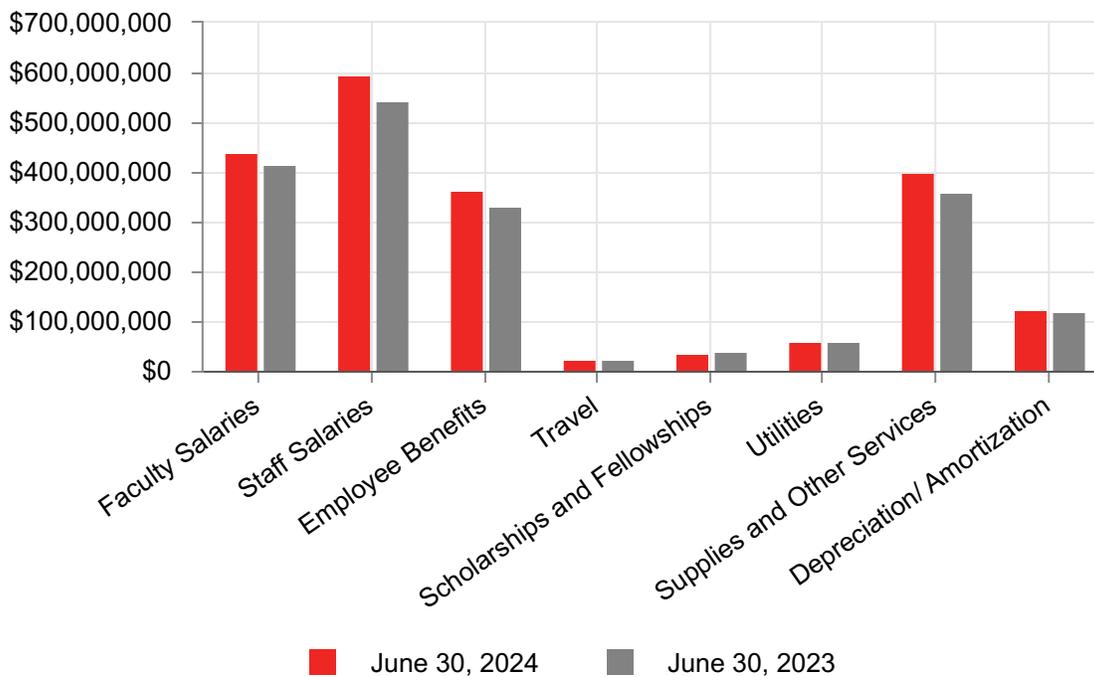


Expenses (By Functional Classification) For the Years Ended June 30, 2024 and June 30, 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating Expenses		
Instruction	\$ 400,023,783	\$ 377,309,822
Research	539,259,391	491,423,771
Public Service	241,779,248	221,181,834
Academic Support	206,417,735	193,440,541
Student Services	56,683,097	53,018,121
Institutional Support	124,697,128	114,925,828
Plant Operations and Maintenance	221,590,738	190,970,966
Scholarships and Fellowships	35,680,160	41,841,119
Auxiliary Enterprises	222,462,092	214,433,528
Total Operating Expenses	<u>2,048,593,372</u>	<u>1,898,545,530</u>
Nonoperating Expenses		
Interest Expense	<u>9,935,385</u>	<u>10,262,951</u>
 Total Expenses	 <u><u>\$2,058,528,757</u></u>	 <u><u>\$1,908,808,481</u></u>

Expenses are described above by functional classification. The illustration below is a comparison of the University's operating expenses by natural classification for the years ended June 30, 2024 and June 30, 2023 is depicted by the following chart:

Operating Expenses by Natural Classification



Operating Revenues increased by \$112,637,500 in fiscal year 2024. Tuition and fees had a net increase of \$12,215,538 that is due in part to an increase in enrollment of 1,008 students. Federal Appropriations decreased by \$1,274,843. Federal, State, and Other Grants & Contracts had a combined increase of \$72,667,603. Sales and Service revenue increased by \$14,541,057 and Auxiliary Enterprises increased by \$13,175,722.

As a result of additional participation in services provided by auxiliary units, the auxiliary revenue increased overall by \$13,175,722 with \$5,296,416 of the increase in food services, \$1,702,845 in residence halls, and \$4,041,549 in intercollegiate athletics revenue.

Nonoperating revenue increased by \$36,077,103 for the year primarily due to a \$36,479,465 increase in state appropriations, a \$9,742,161 decrease in nonoperating grants and contracts related to a reduction in CARES/ HEERF funding due to grant closeout, and a \$10,237,579 increase in investment income due to unrealized gains in market value.

Total operating expenses were \$2,048,593,372 in fiscal 2024, an increase of \$150,047,842 when compared with fiscal year 2023. These increases are primarily attributable to an increase of \$77,009,146 in faculty and staff related employee compensation that includes an increase of \$21,244,894 due to a \$2,000 cost of living increase adjustment for full-time faculty and staff as approved and provided by the State of Georgia. Employee benefits increased \$30,132,672 due to faculty and staff hiring, increased costs of health insurance and cost of living salary increases. Travel increased \$2,755,489 which was primarily associated with increases in travel cost for lodging and airfare. Utilities increased \$2,249,524 and Supplies and Other Services increased \$38,694,135 which was primarily due to a \$9,151,633 increase in construction contracts, an increase in grant sub-award activity of \$11,944,789, an increase of \$6,259,559 in repair and maintenance expenses, and an increase of \$3,693,096 in insurance expenses.

Statement of Cash Flows

The final statement presented by the University of Georgia is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the year. Cash flow information can be used to evaluate the financial viability of the University's ability to meet financial obligations as they mature. The statement is divided into five sections. The first section is concerned with operating cash flows and reflects the net cash used by the various operating activities of the University. The second section is related to cash flows from non-capital financing activities, which reflects the cash received and spent for non-capital financing purposes. The third section summarizes cash flows from capital and related financing activities and contains cash used for the acquisition and construction of capital and related items. The fourth section is comprised of the cash flows from investing activities and includes the purchases, proceeds and interest received from investing activities. The fifth, and final, section reconciles the net cash used to the operating income or loss as reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2024 and 2023, Condensed

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash Provided (Used) by:		
Operating Activities	\$ (653,671,848)	\$ (592,707,577)
Non-Capital Financing Activities	799,938,404	777,894,302
Capital and Related Financing Activities	(185,491,996)	(140,857,958)
Investing Activities	11,807,621	(901,227)
Net Change in Cash	(27,417,819)	43,427,540
Cash and Cash Equivalents, Beginning of Year	462,486,706	419,059,166
Cash and Cash Equivalents, End of Year	<u>\$ 435,068,887</u>	<u>\$ 462,486,706</u>

Capital and Intangible Right-to-Use Assets

A multi-year development of the new Poultry Science Building was completed in Fall 2023. The \$50.5 million private/state funded project constructed a new 70,000 sq. ft. building with labs, student commons, multi-purpose classrooms and offices for faculty and staff. The new building serves as the home for the Department of Poultry Science. In addition, the first phase of renovation for the UGA Science and Ag Hill Modernization project was completed. The \$54 million Phase 1 project focused on the original Chemistry Building located on Cedar Street. The renovation will provide improvements and updates to mechanical, electrical, and plumbing systems as well as newly designed research spaces.

The Georgia State Financing and Investment Commission (GSFIC) provided \$52 million in fiscal year 2024 for various building and facility renovations and equipment.

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

Long Term Liabilities

The University of Georgia had Long-Term Liabilities of \$277,952,250 of which \$57,391,879 was reflected as current liability at June 30, 2024.

For additional information concerning Long-Term Liabilities, see Notes 1, 8 and 13 in the Notes to the Financial Statements.

Notes to the Financial Statements

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

Economic Outlook

The University of Georgia continued to manage and use its resources wisely and in a strategic manner in fiscal year 2024. The financial position remained solid as evidenced by an increase in net position. As a result of modest increases in operating revenues and state appropriations, the University was able to provide increased support to its instruction, research, public service, and student life missions characterized by completing academic initiatives and enhancing research and economic development.

In line with expectations of the higher education community, the University remains fully committed to being prudent with its resources by spending wisely and allocating strategically to support its core academic and student life missions. As fiscal year 2025 progresses, the University will build on its efforts to plan and manage its precious resources to increase scholarship support for students, to further enhance the learning environment, and to expand the impact on individuals, families, and communities in Georgia and the world beyond.

Jere W. Morehead, President
University of Georgia



FINANCIAL STATEMENTS



UNIVERSITY OF
GEORGIA

UNIVERSITY OF GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	University of Georgia	Component Units
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 272,808,596	\$ 102,296,043
Cash and Cash Equivalents (Externally Restricted)	162,260,291	19,760,938
Short-term Investments	20,050,651	100,094,768
Short-term Investments (Externally Restricted)	225,012	215,078,218
Accounts Receivable, net		
Federal Financial Assistance	5,967,802	—
Component Units	92,203,004	724,810
Primary Government	—	4,276,436
Pledges and Contributions	—	45,803,608
Other	43,678,704	75,364,085
Investment in Financing Lease Arrangements - Primary Government	—	9,833,478
Inventories	3,970,184	—
Prepaid Items	17,483,683	2,259,805
Total Current Assets	618,647,927	575,492,189
Non-Current Assets		
Accounts Receivable, net		
Primary Government	—	3,403,017
Due From USO - Capital Liability Reserve Fund	1,447,784	—
Pledges and Contributions	—	79,237,603
Other	4,939,236	—
Investments	111,521,626	270,166,732
Notes Receivable, net	2,161,782	—
Investment in Financing Lease Arrangements - Primary Government	—	188,762,723
Other Assets	—	3,795,393
Non-current Cash (Externally Restricted)	—	2,541,192
Investments (Externally Restricted)	112,428,438	1,482,010,688
Capital Assets, net	2,248,800,638	547,825,724
Intangible Right-to-Use Assets, net	22,816,375	7,435,792
Total Non-Current Assets	2,504,115,879	2,585,178,864
TOTAL ASSETS	3,122,763,806	3,160,671,053
DEFERRED OUTFLOWS OF RESOURCES	\$ 521,505,743	\$ 17,465,405

UNIVERSITY OF GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	University of Georgia	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 24,169,447	\$ 22,488,767
Salaries Payable	4,233,962	1,300,893
Benefits Payable	2,016,281	—
Contracts Payable	10,255,910	—
Retainage Payable	2,283,468	—
Due to Affiliated Organizations	—	11,987
Due to Component Units	2,196,639	712,823
Due to Primary Government	—	92,203,004
Advances (Including Tuition and Fees)	40,035,733	38,741,876
Deposits	1,721,284	—
Deposits Held for Other Organizations	1,318,756	—
Other Liabilities	1,519,084	—
Subscription Obligations	2,059,710	807,635
Notes and Loans Payable - External	—	629,891
Notes and Loans Payable - Component Units	9,833,477	—
Lease Obligations - External	2,225,199	2,144,826
Lease Obligations - Component Units	2,729,823	—
Revenue Bonds and Notes Payable	—	15,645,000
Liabilities Under Split Interest Agreements	—	942,921
Pollution Remediation	63,807	—
Compensated Absences	40,479,863	—
Total Current Liabilities	147,142,443	175,629,623
Non-Current Liabilities		
Due to Other Funds	—	808,274
Subscription Obligations	2,327,392	1,029,747
Notes and Loans Payable - External	—	26,062,783
Notes and Loans Payable - Component Units	188,762,726	—
Lease Obligations - External	6,490,016	3,925,508
Lease Obligations - Component Units	4,811,778	—
Revenue Bonds and Notes Payable	—	303,344,654
Liabilities Under Split Interest Agreements	—	8,145,812
Interest Rate Swap	—	(200,548)
Compensated Absences	18,168,459	—
Net Other Post-employment Benefits Liability	771,803,983	—
Net Pension Liability	1,088,911,193	—
Total Non-Current Liabilities	2,081,275,547	343,116,230
TOTAL LIABILITIES	2,228,417,990	518,745,853
DEFERRED INFLOWS OF RESOURCES	454,551,431	4,962,373
NET POSITION		
Net Investment in Capital Assets	2,042,687,273	412,704,663
Restricted for:		
Nonexpendable	86,999,897	871,156,873
Expendable	190,075,626	954,227,324
Unrestricted (Deficit)	(1,358,462,668)	416,339,372
TOTAL NET POSITION	\$ 961,300,128	\$ 2,654,428,232

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

UNIVERSITY OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024

	University of Georgia	Component Units
OPERATING REVENUES		
Student Tuition and Fees (net)	\$ 479,310,196	\$ —
Federal Appropriations	16,212,813	—
Grants and Contracts		
Federal	284,762,514	253,693,098
State	24,947,420	17,386,668
Other	81,261,943	33,401,010
Sales and Services	136,294,063	199,586,442
Rents and Royalties	2,197,276	29,337,804
Auxiliary Enterprises		
Residence Halls	68,864,543	—
Bookstore	5,118,591	—
Food Services	57,809,355	—
Parking/Transportation	25,313,047	—
Health Services	26,062,887	—
Intercollegiate Athletics	53,227,680	—
Other Organizations	4,928,431	—
Gifts and Contributions	—	114,945,229
Endowment Income	—	59,705,081
Other Operating Revenues	7,658,017	169,702
	<hr/>	<hr/>
Total Operating Revenues	1,273,968,776	708,225,034
OPERATING EXPENSES		
Faculty Salaries	441,805,124	—
Staff Salaries	596,027,923	32,815,284
Employee Benefits	362,761,315	839,281
Other Personal Services	3,452,292	—
Travel	25,397,257	17,994,097
Scholarships and Fellowships	35,680,160	78,750
Utilities	60,639,997	—
Supplies and Other Services	399,407,294	610,262,391
Depreciation and Amortization	123,422,010	18,356,953
	<hr/>	<hr/>
Total Operating Expenses	2,048,593,372	680,346,756
	<hr/>	<hr/>
Operating Income (Loss)	\$ (774,624,596)	\$ 27,878,278

UNIVERSITY OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024

	University of Georgia	Component Units
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	\$ 666,354,113	\$ —
Grants and Contracts		
Federal	36,858,963	—
State	2,090,033	—
Other	711,389	—
Gifts	94,044,908	51,679,848
Investment Income	29,096,229	149,780,233
Interest Expense	(9,935,385)	(13,762,161)
Other Nonoperating Revenues (Expenses)	(1,464,016)	(4,900,603)
Net Nonoperating Revenues	<u>817,756,234</u>	<u>182,797,317</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>43,131,638</u>	<u>210,675,595</u>
Capital Grants and Gifts		
State	51,955,574	—
Other	394,655	—
Additions to Permanent and Term Endowments	225,709	54,979,798
Special Item	(499,028)	—
Extraordinary Item	(15,056)	—
Total Other Revenues, Expenses, Gains or Losses	<u>52,061,854</u>	<u>54,979,798</u>
Change in Net Position	<u>95,193,492</u>	<u>265,655,393</u>
Net Position, Beginning of Year	<u>866,106,636</u>	<u>2,388,772,839</u>
Net Position, End of Year	<u>\$ 961,300,128</u>	<u>\$ 2,654,428,232</u>

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

**UNIVERSITY OF GEORGIA
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

University of Georgia

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 838,370,328
Federal Appropriations	16,212,813
Grants and Contracts (Exchange)	395,690,349
Payments to Suppliers	(808,019,144)
Payments to Employees	(1,061,738,583)
Payments for Scholarships and Fellowships	(35,680,160)
Collection of Loans from Students	799,022
Other Receipts	693,527
Net Cash Used by Operating Activities	<u>(653,671,848)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	666,354,113
Gifts and Grants Received for Other Than Capital Purposes	133,931,002
Other Non-Capital Financing Payments	(346,711)
Net Cash Flows Provided by Non-Capital Financing Activities	<u>799,938,404</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Gifts and Grants Received	2,190,988
Proceeds from Sale of Capital Assets	930,070
Purchases of Capital and Intangible Right-to-Use Assets	(159,613,535)
Principal Paid on Capital Debt and Leases	(19,064,134)
Interest Paid on Capital Debt and Leases	(9,935,385)
Net Cash Used by Capital and Related Financing Activities	<u>(185,491,996)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	806,402,743
Investment Income	17,336,787
Purchase of Investments	(811,931,909)
Net Cash Provided by Investing Activities	<u>11,807,621</u>
Net Decrease in Cash and Cash Equivalents	(27,417,819)
Cash and Cash Equivalents, Beginning of Year	<u>462,486,706</u>
Cash and Cash Equivalents, End of Year	<u>\$ 435,068,887</u>

**UNIVERSITY OF GEORGIA
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>University of Georgia</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (774,624,596)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation and Amortization	123,422,010
Change in Assets and Liabilities:	
Receivables, net	(11,408,397)
Inventories	1,889,674
Prepaid Items	378,666
Notes Receivable, Net	799,021
Accounts Payable	1,328,785
Salaries Payable	398,959
Benefits Payable	271,453
Deposits	(31,203)
Advances (Including Tuition and Fees)	(11,636,443)
Other Liabilities	(871,538)
Funds Held for Others	125,809
Compensated Absences	1,080,692
Due to Affiliated Organizations	(2,259,972)
Pollution Remediation	(90,469)
Net Pension Liability	(50,943,400)
Net Other Post-Employment Benefit Liability	(186,023,953)
Change in Deferred Inflows/Outflows of Resources:	
Deferred Inflows of Resources	60,755,021
Deferred Outflows of Resources	193,768,033
Net Cash Used by Operating Activities	<u>\$ (653,671,848)</u>
NON-CASH INVESTING, NON-CAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS	
Capital Financing Activities Noncash Items:	
Current Year Accruals Related to Capital Financing Activities	<u>\$ 19,630,242</u>
Gift of Capital Assets	<u>\$ 52,396,196</u>
Gain (Loss) on Disposal of Capital Assets	<u>\$ (2,629,799)</u>
Accrual of Capital Asset Related Payables	<u>\$ 12,539,378</u>
Capital Assets Acquired Through Prepaid Capital	<u>\$ 45,300,000</u>
Intangible Right-to-Use Assets Acquired by Incurring Lease Obligations	<u>\$ 1,312,915</u>
Intangible Right-to-Use Assets Acquired by Incurring SBITAs	<u>\$ 5,794,022</u>
Early Extinguishment of Capital Debt	<u>\$ 1,446,979</u>
Investing Activities Noncash Items:	
Unrealized Gain (Loss) on Investments	<u>\$ 11,484,150</u>

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

**UNIVERSITY OF GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Receivables	
Other	\$ 21,085,672
	<u>21,085,672</u>
Total Assets	<u>21,085,672</u>
LIABILITIES	
Cash Overdraft	18,375,170
Accounts Payable	3,655
Deposits held for other organizations	10,545
	<u>18,389,370</u>
Total Liabilities	<u>18,389,370</u>
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ <u><u>2,696,302</u></u>

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

**UNIVERSITY OF GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
ADDITIONS	
Federal Financial Aid	\$ 146,757,744
State Financial Aid	236,979,931
Other Financial Aid	24,230,464
Clubs and Other Organizations Fund Raising	<u>1,753,795</u>
Total Additions	<u>409,721,934</u>
DEDUCTIONS	
Scholarships and Other Student Support	407,970,706
Student Organizations Support	<u>1,803,701</u>
Total Deductions	<u>409,774,407</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>(52,473)</u>
Net Position, Beginning of Year	<u>2,748,775</u>
Net Position, End of Year	<u><u>\$ 2,696,302</u></u>

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

UNIVERSITY OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2024

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination Entries	Total
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 57,629,156	\$ 4,111,585	\$ 40,555,302	\$ —	\$ 102,296,043
Cash and Cash Equivalents (Externally Restricted)	—	19,760,938	—	—	19,760,938
Short-term Investments	—	44,750,522	55,344,246	—	100,094,768
Short-term Investments (Externally Restricted)	—	215,078,218	—	—	215,078,218
Accounts Receivable, net					
Component Units	695,248	29,562	—	—	724,810
Primary Government	81,353	—	4,195,083	—	4,276,436
Pledges and Contributions	—	45,803,608	—	—	45,803,608
Other	4,623,627	5,389,128	65,351,330	—	75,364,085
Investment in Financing Lease Arrangements - Primary Government	—	—	9,833,478	—	9,833,478
Prepaid Items	979,573	1,010,422	269,810	—	2,259,805
Total Current Assets	64,008,957	335,933,983	175,549,249	—	575,492,189
Non-Current Assets					
Accounts Receivable, net					
Primary Government	—	—	3,403,017	—	3,403,017
Pledges and Contributions	—	79,237,603	—	—	79,237,603
Investments	52,637,642	270,166,732	11,529,113	(64,166,755)	270,166,732
Investment in Financing Lease Arrangements - Primary Government	—	—	188,762,723	—	188,762,723
Other Assets	—	3,359,597	435,796	—	3,795,393
Non-current Cash (Externally Restricted)	2,541,192	—	—	—	2,541,192
Investments (Externally Restricted)	—	1,476,245,663	5,765,025	—	1,482,010,688
Capital Assets, net	491,126,787	25,993,955	30,704,982	—	547,825,724
Intangible Rights of Use, net	2,755,968	—	4,679,824	—	7,435,792
Total Non-Current Assets	549,061,589	1,855,003,550	245,280,480	(64,166,755)	2,585,178,864
TOTAL ASSETS	613,070,546	2,190,937,533	420,829,729	(64,166,755)	3,160,671,053
DEFERRED OUTFLOWS OF RESOURCES					
	\$ 6,434,737	\$ —	\$ 11,030,668	\$ —	\$ 17,465,405

UNIVERSITY OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2024

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination Entries	Total
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 19,499,621	\$ 548,760	\$ 2,440,386	\$ —	\$ 22,488,767
Salaries Payable	3,335,774	—	—	(2,034,881)	1,300,893
Due to Affiliated Organizations	—	—	11,987	—	11,987
Due to Component Units	17,575	695,248	—	—	712,823
Due to Primary Government	13,000,661	8,344,335	70,858,008	—	92,203,004
Advances (Including Tuition and Fees)	33,734,058	105,159	4,902,659	—	38,741,876
Deposits Held for Other Organizations	—	64,166,755	—	(64,166,755)	—
Subscription Obligations	807,635	—	—	—	807,635
Notes and Loans Payable - External	1,000	628,891	—	—	629,891
Lease Obligations - External	253,876	—	1,890,950	—	2,144,826
Revenue Bonds and Notes Payable	5,405,000	—	10,240,000	—	15,645,000
Liabilities Under Split Interest Agreements	—	942,921	—	—	942,921
Total Current Liabilities	76,055,200	75,432,069	90,343,990	(66,201,636)	175,629,623
Non-Current Liabilities					
Due to Other Funds	—	808,274	—	—	808,274
Subscription Obligations	1,029,747	—	—	—	1,029,747
Notes and Loans Payable - External	—	11,707,905	14,354,878	—	26,062,783
Lease Obligations - External	641,687	—	3,283,821	—	3,925,508
Revenue Bonds and Notes Payable	109,481,146	—	193,863,508	—	303,344,654
Liabilities Under Split Interest Agreements	—	8,145,812	—	—	8,145,812
Interest Rate Swap	—	(200,548)	—	—	(200,548)
Total Non-Current Liabilities	111,152,580	20,461,443	211,502,207	—	343,116,230
TOTAL LIABILITIES	187,207,780	95,893,512	301,846,197	(66,201,636)	518,745,853
DEFERRED INFLOWS OF RESOURCES					
	—	—	4,962,373	—	4,962,373
NET POSITION					
Net Investment in Capital Assets	382,697,400	13,657,159	16,350,104	—	412,704,663
Restricted for:					
Nonexpendable	—	871,156,873	—	—	871,156,873
Expendable	2,541,192	951,686,132	—	—	954,227,324
Unrestricted	47,058,911	258,543,857	108,701,723	2,034,881	416,339,372
TOTAL NET POSITION	\$ 432,297,503	\$ 2,095,044,021	\$ 125,051,827	\$ 2,034,881	\$ 2,654,428,232

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

**UNIVERSITY OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination Entries	Total
OPERATING REVENUES					
Grants and Contracts					
Federal	\$ —	\$ —	\$ 253,693,098	\$ —	\$ 253,693,098
State	—	—	17,386,668	—	17,386,668
Other	—	—	33,401,010	—	33,401,010
Sales and Services	188,101,836	11,484,606	—	—	199,586,442
Rents and Royalties	—	1,165,182	28,172,622	—	29,337,804
Gifts and Contributions	—	114,945,229	—	—	114,945,229
Endowment Income	—	59,705,081	—	—	59,705,081
Other Operating Revenues	—	—	169,702	—	169,702
Total Operating Revenues	<u>188,101,836</u>	<u>187,300,098</u>	<u>332,823,100</u>	<u>—</u>	<u>708,225,034</u>
OPERATING EXPENSES					
Staff Salaries	27,453,397	5,473,247	—	(111,360)	32,815,284
Employee Benefits	839,281	—	—	—	839,281
Travel	17,563,628	430,469	—	—	17,994,097
Scholarships and Fellowships	—	78,750	—	—	78,750
Supplies and Other Services	137,253,588	153,444,329	319,564,474	—	610,262,391
Depreciation	14,927,613	634,229	2,795,111	—	18,356,953
Total Operating Expenses	<u>198,037,507</u>	<u>160,061,024</u>	<u>322,359,585</u>	<u>(111,360)</u>	<u>680,346,756</u>
Operating Income (Loss)	<u>\$ (9,935,671)</u>	<u>\$ 27,239,074</u>	<u>\$ 10,463,515</u>	<u>\$ 111,360</u>	<u>\$ 27,878,278</u>

**UNIVERSITY OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	Consolidation/ Elimination/ Entries	Total
NONOPERATING REVENUES (EXPENSES)					
Gifts	\$ 51,679,848	\$ —	\$ —	\$ —	\$ 51,679,848
Investment Income	7,215,363	134,046,353	8,518,517	—	149,780,233
Interest Expense	(4,827,004)	(280,827)	(8,654,330)	—	(13,762,161)
Other Nonoperating Revenues (Expenses)	(4,826,327)	1,147	(75,423)	—	(4,900,603)
Net Nonoperating Revenues	49,241,880	133,766,673	(211,236)	—	182,797,317
Income Before Other Revenues, Expenses, Gains, or Losses	39,306,209	161,005,747	10,252,279	111,360	210,675,595
Additions to Permanent and Term Endowments	—	54,979,798	—	—	54,979,798
Total Other Revenues, Expenses, Gains or Losses	—	54,979,798	—	—	54,979,798
Change in Net Position	39,306,209	215,985,545	10,252,279	111,360	265,655,393
Net Position, Beginning of Year	392,991,294	1,879,058,476	114,799,548	1,923,521	2,388,772,839
Net Position, End of Year	<u>\$ 432,297,503</u>	<u>\$ 2,095,044,021</u>	<u>\$ 125,051,827</u>	<u>\$ 2,034,881</u>	<u>\$ 2,654,428,232</u>

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



NOTES TO THE FINANCIAL STATEMENTS



UNIVERSITY OF
GEORGIA

UNIVERSITY OF GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 Summary of Significant Accounting Policies

Nature of Operations

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

Reporting Entity

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

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

The accompanying basic financial statements are intended to supplement the State's Annual Comprehensive Financial Report (ACFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that are attributable to the transactions of the University. In addition, certain discretely presented component units of the State, as discussed below, have been included since they have been determined to be essential to the fair presentation to these departmental financial statements. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2024, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Discretely Presented Component Units

The below organizations are legally separate, tax-exempt component units of the State. Although the State (primary government) is not fiscally accountable for these entities, it has been determined that the nature and significance of the relationship between the primary government and the below organizations is such that exclusion from these departmental financial statements would render them misleading. The below organizations met the requirements for discrete presentation as defined by GASB Codification Sections 2100 and 2600. Each of the below organization's fiscal year ends on June 30 each year. Separately issued financial statements are available from the following addresses.

- University of Georgia Athletic Association, Inc., 456 E. Broad Street, Athens, GA 30602
- University of Georgia Foundation, One Press Place, Suite 101, Athens, GA 30602
- University of Georgia Research Foundation, Inc., 324 Business Services Building, 456 E. Broad Street, Athens, GA 30602

See Component Unit Note for additional information related to discretely presented component units.

Basis of Accounting and Financial Statement Presentation

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

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

The University reports the following fiduciary fund:

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

New Accounting Pronouncements

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

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

Cash and Cash Equivalents

Cash and Cash Equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the State Investment Pool (Georgia Fund 1). Cash and Cash Equivalents that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Cash and Cash Equivalents restricted as to use by a third party are reported as externally restricted.

Short-Term Investments

Short-Term Investments consist of investments of 90 days - 13 months. These include certificates of deposits or other time-restricted investments with original maturities of six months or more when purchased. Funds are not readily available and there is a penalty for early withdrawal. Short-Term Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Short-Term Investments restricted as to use by a third party are reported as externally restricted.

Investments

Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The University accounts for its investments at fair value. Changes in the fair value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Legal Fund and the Board of Regents Diversified Fund are included as investments.

Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position. Investments restricted as to use by a third party are reported as externally restricted.

Accounts Receivable

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

Inventories

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

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items.

Capital Assets

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

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 30 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

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

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

Intangible Right-To-Use Assets

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

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

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

measurement of the lease and/or subscription liability. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease and/or subscription term or useful life of the underlying asset. Prepayments made before the commencement of the lease and/or subscription are reported as intangible right-to-use assets in progress.

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

Capital Liability Reserve Fund

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

Deferred Outflows of Resources

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

Deposits

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

Advances

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

Deposits Held for Other Organizations

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

Pollution Remediation Obligations

Pollution remediation obligations are recorded when the University knows that a site is polluted and one or more obligating events have occurred. The amount recorded is an estimate of the current value of potential outlays for cleanup, calculated using the "expected cash flows" measurement technique.

Compensated Absences

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

Non-current Liabilities

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

Deferred Inflows of Resources

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

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

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

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

Pensions and Net Pension Liability

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

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

Net Position

The University's net position is classified as follows:

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

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

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

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board or management to meet current expenses for those purposes, except for unexpended state appropriations (surplus) in the amount of \$1,107,048.37. Unexpended state appropriations must be refunded to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

Income Taxes

As a political subdivision of the State of Georgia which has been delegated the right to exercise part of the sovereign power of the State, the University of Georgia is not subject to federal income tax.

Classification of Revenues and Expenses

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

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

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the University has recorded contra revenue for scholarship allowances. Student tuition and fees reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$188,135,907.

Special Items

Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence are considered special items.

The University had an early termination of a right-to-use leased asset with a net book value of \$1,513,720 and remaining lease obligation of \$968,725. The resulting net loss of \$544,995 is reported as a special item. The early termination was mutually agreed upon by both parties.

The University of Georgia received equipment transfers from Atlanta Metro State College (\$8,100), Georgia Southern (\$80,210), Georgia Tech (\$20,248), Georgia Department of Community Supervision (\$16,600) and Georgia Department of Economic Development (\$10,825) for a total amount of transferred property with a net book value of \$45,967.

Extraordinary Items

Significant transactions or other events that are both unusual in nature and infrequent in occurrence are considered extraordinary items.

During 2024, The University of Georgia (Institution) received \$195,740 in insurance recovery funds due to severe rain storms which resulted in flooding of the Chicopee No. 8 building. This event was infrequent and unusual for the institution. Of the \$195,740 in insurance recovery funds received, \$179,911 were related to capital assets. The capital asset impairment loss was \$15,056, resulting in a net impairment gain of \$180,684.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2024 are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Statement of Net Position

Current

Cash and Cash Equivalents	\$	272,808,596
Cash and Cash Equivalents (Externally Restricted)		162,260,291
Short-term Investments		20,050,651
Short-term Investments (Externally Restricted)		225,012

Noncurrent

Non Current - Investments		111,521,626
Noncurrent Investments (Externally Restricted)		112,428,438

Statement of Fiduciary Net Position

Cash and Cash Equivalents		(18,375,170)
	\$	<u>660,919,444</u>

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

Cash on Hand	\$	221,097
Deposits with Financial Institutions		280,923,908
Investments		379,774,439
	\$	<u>660,919,444</u>

A. Deposits with Financial Institutions

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

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

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

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

At June 30, 2024, the bank balances of the University's deposits totaled \$303,540,143. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the University. Of these deposits, \$208,954 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	208,954
Uninsured and collateralized with securities held by the pledging financial institution		—
Uninsured and collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the Institution's name		—
		<hr/>
Total deposits exposed to custodial credit risk	<u>\$</u>	<u>208,954</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University has a formal policy for managing exposure to foreign currency credit risk by requiring a maximum balance in a foreign account of \$100,000 U.S. currency. The University's exposure to foreign currency risk derives from deposits in foreign banks for operations of studies abroad programs. The deposits are uninsured and uncollateralized in the amount of \$208,845 as follows:

<u>Program</u>	<u>Institution</u>	<u>Currency</u>	<u>U.S. Value</u>
UGA - Oxford Program	Barclay's	British Pound	\$ 134,015
UGA Cortona Art Program	Banca CR Firenze	European Euro	74,830
			<hr/> <u>\$ 208,845</u>

B. Investments

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

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

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

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

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investments. Investments classified in Level 3 include guaranteed investment contracts. Guaranteed investment contracts are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

Net Asset Value (NAV) – Investments whose fair value is measured at the NAV are excluded from the fair value hierarchy as a practical expedient to fair value. Investments reported at NAV include real estate funds that invest primarily in U.S. commercial real estate. The fair values of real estate investments in this category have been estimated using the net asset value of the University's ownership interest in partners' capital. Real estate investments are less liquid and, generally, cannot be redeemed with the funds through normal redemption procedures. Distributions from real estate investment funds will be received as the underlying investments of a fund are liquidated.

The following table summarizes the valuation of the University's investments measured at fair value on a recurring basis as of June 30, 2024.

	Fair Value	Fair Value Hierarchy			NAV
		Level 1	Level 2	Level 3	
Investment type:					
Debt Securities					
U.S. Treasuries	\$ 4,150,639	\$ 4,150,639	\$ —	\$ —	\$ —
U.S. Agencies					
Explicitly Guaranteed	32,317,361	—	32,317,361	—	—
Implicitly Guaranteed	62,352,498	—	62,352,498	—	—
Corporate Debt	41,253,121	—	41,253,121	—	—
Mutual Bond Funds	283,691	283,691	—	—	—
Other Investments					
Equity Mutual Funds - Domestic	476,304	476,304	—	—	—
Equity Mutual Funds - International	328,269	328,269	—	—	—
Equity Securities - Domestic	1,266,166	1,266,160	—	6	—
Equity Securities - International	219,388	—	219,388	—	—
Real Estate Held for Investment Purposes	5,983,254	—	—	—	5,983,254
Real Estate Investment Trusts	189,386	—	—	—	189,386
	148,820,077	\$ 6,505,063	\$ 136,142,368	\$ 6	\$ 6,172,640
Investment Pools					
Board of Regents					
Legal Fund	7,151,883				
Diversified Fund	96,229,462				
Office of the State Treasurer					
Georgia Fund 1	127,573,017				
Total Investments	\$ 379,774,439				

The University holds positions in the Georgia Fund 1 investment pool managed by the Georgia Office of the State Treasurer. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The University does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Board of Regents Pooled Investment Program

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

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

The University's position in the pooled investment fund options are described below.

1. Legal Fund

The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides an opportunity for greater return and modest principal growth to the extent possible with the securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between three and five years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the University's position in the Legal Fund at June 30, 2024 was \$7,151,883, of which 100% is invested in debt securities. The Effective Duration of the Fund is 3.65 years.

2. Diversified Fund

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

The equity allocation shall range between 60% and 80% of the portfolio, with a target of 70% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 20% and 40%, with a target of 30% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short-term instruments. The market value of the University's position in the Diversified Fund at June 30, 2024 was \$96,229,462, of which 26% is invested in debt securities. The Effective Duration of the Fund is 5.06 years.

Office of the State Treasurer Investment Pool

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the U.S. Securities and Exchange Commission as an investment company, and the State does not consider Georgia Fund 1 to be a 2a7-like pool. This investment is valued at the pool's share price, \$1.00 per share. The Georgia Fund 1 Investment Pool is an AAf rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 33 days.

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 University's policy for managing interest rate risk attempts to match investments with expected cash requirements by dividing between short-term and long-term investments.

	Fair Value	Investment Maturity				More Than 10 Years
		Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	
Investment type:						
Debt Securities						
U.S. Treasuries	\$ 4,150,639	\$ 4,150,639	\$ —	\$ —	\$ —	\$ —
U.S. Agencies						
Explicitly Guaranteed	32,317,361	—	—	—	—	32,317,361
Implicitly Guaranteed	62,352,498	1,824,972	6,813,067	25,349,624	7,167,462	21,197,373
Corporate Debt	41,253,121	2,000,193	13,263,849	25,795,061	194,018	—
Mutual Bond Funds	283,691	198,747	—	61,992	22,952	—
	140,357,310	<u>\$ 8,174,551</u>	<u>\$ 20,076,916</u>	<u>\$ 51,206,677</u>	<u>\$ 7,384,432</u>	<u>\$ 53,514,734</u>
Other Investments						
Equity Mutual Funds - Domestic	476,304					
Equity Mutual Funds - International	328,269					
Equity Securities - Domestic	1,266,166					
Equity Securities - International	219,388					
Real Estate Held for Investment Purposes	5,983,254					
Real Estate Investment Trusts	189,386					
Investment Pools						
Board of Regents						
Legal Fund	7,151,883					
Diversified Fund	96,229,462					
Office of the State Treasurer						
Georgia Fund 1	127,573,017					
Total Investments	<u>\$ 379,774,439</u>					

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University's policy for managing custodial credit risk is to ensure all securities transactions are settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.

At June 30, 2024, \$3,288,736 was uninsured and held by the investment's counterparty's trust department or agent, but not in the University's name.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University manages credit quality risk by establishing minimal quality ratings. Investments should have no lower than a BBB credit rating. The University also invests in investment pools managed by the University System of Georgia (USG). USG's policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds, colleges, universities, and foundations:

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

2. In the Diversified Fund, total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.

3. The Georgia Fund 1 Investment Pool is managed by the Office of the State Treasurer (OST). OST utilizes a counterparty risk assessment model to assess credit risk of financial institutions that have been approved to serve as counterparties and major depositories. OST has assigned credit limits to each financial institution based upon counterparty risk assessment model which incorporates market indicators, default probabilities, issuer research and issuer ratings to determine maximum credit exposure per institution, term of investment for respective counterparties and collateralization requirements in accordance with the OST Investment Policy.

The investments subject to credit quality risk are reflected below:

	Fair Value	AAA	AA	A	BBB	Unrated
Related Debt Investments						
U. S. Agency Securities	\$ 62,352,498	\$ 62,352,498	\$ —	\$ —	\$ —	\$ —
Corporate Debt	41,253,121	—	3,947,355	37,077,913	227,853	—
Mutual Bond Funds	283,691	198,747	—	—	—	84,944
	<u>\$ 103,889,310</u>	<u>\$ 62,551,245</u>	<u>\$ 3,947,355</u>	<u>\$ 37,077,913</u>	<u>\$ 227,853</u>	<u>\$ 84,944</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's policy requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return. Investments are divided between short-term and long-term investments. For short-term investments, certificates of deposit and repurchase agreements should comprise 25-50%, investment in the Office of Treasury and Fiscal Services, Georgia Fund I should not exceed 50% and investment in U.S. Treasury obligations or U.S. Government agency securities can be 100%. For long-term investments, equities comprise 50-75%, fixed income can range between 25-50%, and cash and cash equivalents will range between 10-25%.

At June 30, 2024, approximately 6% and 6% of the University's business-type activity and fiduciary fund investments were investments in Federal National Mortgage Assoc. notes and pools and Federal Home Loan Mortgage Corp. notes and pools, respectively.

Note 3 Accounts Receivable

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

	Business Type Activities	Fiduciary Fund
Student Tuition and Fees	\$ 3,473,206	
Auxiliary Enterprises and Other Operating Activities	3,280,897	
Federal Financial Assistance	5,967,802	
Georgia Student Finance Commission		\$ 19,306,188
Georgia State Financing and Investment Commission	14,073,920	
Due from Component Units	92,203,004	
Due From Other USG Institutions	1,447,784	
Lease Receivable	5,893,982	
Other	24,941,372	1,779,484
	<u>151,281,967</u>	<u>21,085,672</u>
Less: Allowance for Doubtful Accounts	<u>3,045,437</u>	<u>—</u>
Net Accounts Receivable	<u>\$ 148,236,530</u>	<u>\$ 21,085,672</u>

Other accounts receivable includes approximately \$8.1 million in state grants and contracts, \$3.8 million in DOAS insurance proceeds and \$13 million in miscellaneous receivables.

Note 4 Inventories

Inventories consisted of the following at June 30, 2024:

Consumable Supplies	\$ 2,779,771
Merchandise for Resale	<u>1,190,413</u>
Total	<u>\$ 3,970,184</u>

Note 5 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2024. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the University for amounts canceled under these provisions. As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2024, the allowance for uncollectible loans was \$1,630,982.

Note 6 Capital and Intangible Right-to-Use Assets

Changes in capital assets for the year ended June 30, 2024 are shown below:

	Balance July 1, 2023	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2024
Capital Assets, Not Being Depreciated:					
Land	\$ 61,400,707	\$ —	\$ 2,902,980	\$ 75,794	\$ 64,227,893
Capitalized Collections	30,561,783	—	651,383	93,968	31,119,198
Construction Work-in-Progress	46,146,354	—	90,617,835	48,774,431	87,989,758
Total Capital Assets Not Being Depreciated	138,108,844	—	94,172,198	48,944,193	183,336,849
Capital Assets, Being Depreciated:					
Infrastructure	112,675,323	—	1,312,274	—	113,987,597
Building and Building Improvements	2,657,401,199	—	136,148,987	10,999,770	2,782,550,416
Facilities and Other Improvements	73,741,161	—	17,570,570	—	91,311,731
Equipment	526,406,070	135,983	47,319,448	26,487,637	547,373,864
Library Collections	414,989,493	—	12,311,028	62,244	427,238,277
Software	53,092,431	—	—	—	53,092,431
Total Capital Assets Being Depreciated	3,838,305,677	135,983	214,662,307	37,549,651	4,015,554,316
Less: Accumulated Depreciation					
Infrastructure	53,333,549	—	3,367,999	—	56,701,548
Building and Building Improvements	996,879,486	—	63,029,568	9,709,890	1,050,199,164
Facilities and Other Improvements	42,823,642	—	2,876,919	—	45,700,561
Equipment	396,738,731	90,016	26,861,029	24,617,554	399,072,222
Library Collections	347,709,248	—	13,841,395	62,244	361,488,399
Software	32,764,813	—	4,163,820	—	36,928,633
Total Accumulated Depreciation/Amortization	1,870,249,469	90,016	114,140,730	34,389,688	1,950,090,527
Total Capital Assets, Being Depreciated, Net	1,968,056,208	45,967	100,521,577	3,159,963	2,065,463,789
Capital Assets, net	\$ 2,106,165,052	\$ 45,967	\$ 194,693,775	\$ 52,104,156	\$ 2,248,800,638

The University has received capital assets from various other entities within the State's reporting entity. The University has reported these transactions as special items on the Statement of Revenues, Expenses and Changes in Net Position. See Note 1 - Special Items for additional information related to these transactions.

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the University when complete. During fiscal year 2024, the University prepaid \$10,400,000 to GSFIC as required matching and other funding for GSFIC managed projects in the construction phase. For projects managed by the University, the University retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2024, GSFIC transferred capital additions from GSFIC managed projects valued at \$105,006,596 to the University, of which \$48,954,592 was funded by GSFIC and \$56,052,003 was funded by the University. In addition, at June 30, 2024, GSFIC had construction in progress of approximately \$1,795,011 for incomplete GSFIC managed projects for the University.

The University of Georgia Athletic Association, Inc. (the Athletic Association) has an agreement with the USG whereby expenses for additions and improvements to University of Georgia owned buildings, stadium, and athletic fields used by the Athletic Association become the property of the University of Georgia upon installation or acquisition. The Athletic Association leases these athletic facilities from the USG for \$1 million per year under the current lease agreement, which expires June 30, 2024. The Athletic Association capitalizes expenses for additions and improvements to the buildings, stadium, and athletic fields owned by the University of Georgia and used by the Athletic Association. Therefore, these improvements to University of Georgia owned property are not reported as capital assets within the University of Georgia's financial statements. The cost associated with these assets is \$446,764,571 and associated accumulated depreciation is \$179,783,352.

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

	Balances July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
Intangible Right-to-use Assets, Being Amortized:				
Building and Building Improvements	\$ 33,090,814	\$ 594,244	\$ 2,602,423	\$ 31,082,635
Equipment	1,821,609	718,671	222,580	2,317,700
Subscription Based IT Arrangements (SBITAs)	3,326,792	7,080,084	778,621	9,628,255
Total Leased Assets Being Amortized	38,239,215	8,392,999	3,603,624	43,028,590
Less: Accumulated Amortization				
Building and Building Improvements	11,524,989	6,435,740	1,110,151	16,850,578
Equipment	565,716	549,039	184,818	929,937
Subscription Based IT Arrangements (SBITAs)	877,754	2,296,501	742,555	2,431,700
Total Accumulated Amortization	12,968,459	9,281,280	2,037,524	20,212,215
Intangible Right-to-Use Assets, net	\$ 25,270,756	\$ (888,281)	\$ 1,566,100	\$ 22,816,375

Note 7 Advances (Including Tuition and Fees)

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

	Current Liabilities
Prepaid Tuition and Fees	\$ 23,540,712
Research	2,074,520
Other - Advances	14,420,501
Totals	\$ 40,035,733

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Lease & Subscription Obligations					
Lease Obligations	\$ 22,579,725	\$ 1,312,915	\$ 7,635,824	\$ 16,256,816	\$ 4,955,022
Subscription Obligations	2,075,338	5,794,022	3,482,258	4,387,102	2,059,710
Total	24,655,063	7,106,937	11,118,082	20,643,918	7,014,732
Other Liabilities					
Compensated Absences	57,567,630	43,536,066	42,455,374	58,648,322	40,479,863
Notes and Loans Payable	207,989,234	—	9,393,031	198,596,203	9,833,477
Pollution Remediation	154,276	—	90,469	63,807	63,807
Total	265,711,140	43,536,066	51,938,874	257,308,332	50,377,147
Total Long-Term Liabilities	\$ 290,366,203	\$ 50,643,003	\$ 63,056,956	\$ 277,952,250	\$ 57,391,879

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

Notes and Loans Payable

Financing Lease Agreements

The University is obligated under various multi-year financing lease agreements for the acquisition or use of real property and equipment, whereby the assets transfer ownership at the end of the agreement.

In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University’s principal and interest payments related to financing agreements for fiscal year 2024 were \$9,393,031 and \$9,397,837, respectively. Interest rates range from 3.48% - 7.56%.

The University has \$198,596,203 in outstanding notes and loans payable due to component units for financing lease agreements.

The following is a summary of the carrying values of assets held under financing agreements at June 30, 2024:

Description	Gross Amount	Less: Accumulated Amortization	Net Assets Held Under Financing Arrangements at June 30, 2024	Outstanding Balances per Financing Arrangement Schedules at June 30, 2024
	(+)	(-)	(=)	
Finance Buildings and Building Improvements	\$ 286,445,821	\$ 75,254,521	\$ 211,191,300	\$ 198,596,203
Total Assets Held Under Finance Arrangements	<u>\$ 286,445,821</u>	<u>\$ 75,254,521</u>	<u>\$ 211,191,300</u>	<u>\$ 198,596,203</u>

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

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
East Campus Village Residence Halls	UGA Real Estate Foundation	\$ 65,631,566	30 years	July 2004	June 2034	\$ 35,961,034 (1)
East Village Dining Commons	UGA Real Estate Foundation	16,371,385	30 years	July 2004	June 2034	9,037,761 (1)
Tate Student Center Parking Deck	UGA Real Estate Foundation	13,400,000	29 years	August 2008	June 2037	9,116,931 (1)
Tate Student Center Expansion	UGA Real Estate Foundation	40,868,389	29 years	May 2009	June 2038	29,975,092 (1)
Intramural Parking Deck	UGA Real Estate Foundation	7,795,000	30 years	August 2009	June 2039	5,318,285 (1)
Performing Arts Center Parking Deck	UGA Real Estate Foundation	9,468,747	30 years	November 2009	June 2039	6,423,209 (1)
Greek Park House #1 - Pi Kappa Alpha	UGA Real Estate Foundation	3,287,613	30 years	August 2009	June 2039	2,444,232 (1)
Greek Park House #2 - Tau Epsilon Phi	UGA Real Estate Foundation	3,287,613	30 years	August 2009	June 2039	2,444,232 (1)
Greek Park House #3 - Sigma Nu	UGA Real Estate Foundation	3,287,613	30 years	August 2009	June 2039	2,444,232 (1)
Greek Park House #7 - Phi Delta Theta	UGA Real Estate Foundation	2,246,232	30 years	August 2009	June 2039	1,668,983 (1)
East Campus Housing Phase II	UGA Real Estate Foundation	48,741,608	30 years	July 2010	June 2040	35,131,207 (1)
Bolton Dining Commons	UGA Real Estate Foundation	24,200,067	30 years	August 2014	June 2044	16,629,873 (1)
Black Diallo Miller	UGA Real Estate Foundation	43,443,359	30 years	July 2022	June 2052	42,001,132 (1)
Total Financed Leases		<u>\$282,029,192</u>				<u>\$198,596,203</u>

(1) These financing agreements are related party transactions

Below is the annual debt service related to the outstanding notes and loans payable at June 30, 2024.

	Principal	Interest
Year Ending June 30:		
2025	\$ 9,833,477	\$ 8,953,039
2026	10,283,006	8,486,789
2027	10,752,179	7,998,267
2028	11,254,411	7,486,240
2029	11,765,984	6,949,652
2030 through 2034	66,639,028	25,781,413
2035 through 2039	45,809,317	11,919,246
2040 through 2044	16,815,408	4,370,823
2045 through 2049	9,145,541	1,930,668
2050 through 2054	6,297,852	343,945
	<u>\$ 198,596,203</u>	<u>\$ 84,220,082</u>

Pollution Remediation

Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations. The University of Georgia is responsible for pollution remediation at the Milledge Avenue landfill site. USG has recorded a liability related to this

pollution remediation in the amount of \$63,807. The liability is based on a contractual agreement with Resolute Environmental & Water Resources Consulting. The University of Georgia does not anticipate any changes to the expected remediation outlay. There are no expected recoveries that have reduced this liability.

Note 9 Deferred Outflows and Inflows of Resources

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

Deferred Outflows of Resources

Deferred Outflow on Defined Benefit Pension Plans (See Note 14)	\$ 385,085,496
Deferred Outflow on OPEB Plan (See Note 17)	136,420,247
Total Deferred Outflows of Resources	<u>\$ 521,505,743</u>

Deferred Inflows of Resources

Deferred Inflow on Defined Benefit Pension Plans (See Note 14)	\$ 20,123,510
Deferred Inflow on OPEB Plan (See Note 17)	428,816,838
Deferred Inflows of Resources - Leases	5,611,083
Total Deferred Inflows of Resources	<u>\$ 454,551,431</u>

Leases

The University has entered into agreements with various entities for leasing of University owned land and building spaces in various University campus locations throughout the state. The amortized revenue recorded in fiscal year 2024 was \$1,310,411 and the remaining deferred inflow of resources was \$5,611,083.

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

Description	Lessee	Begin Month/ Year	Lease Term	Amortized Revenue in FY24	Remaining Deferred Inflow of Resources
Skidaway Institute of Oceanography	Georgia Aquarium	Dec 2021	31 Years	\$ 32,795	\$ 918,257
DAS (Sanford Stadium)	AT&T	Jan 2020	5 Years	42,124	—
Life Sciences - 120 Green Street	AT&T	Dec 2019	5 Years	65,481	—
Vince - 100 Field Street	AT&T	Jul 2020	5 Years	86,423	86,423
Whitehall - 100 Phoenix Road	AT&T	May 2021	7 Years	50,737	152,211
105 Green Street	Sprint	Jan 2020	5 Years	50,734	—
Skidaway Institute of Oceanography	T-Mobile	Oct 2020	5 Years	37,140	37,140
Whitehall - 100 Phoenix Road	Verizon	Nov 2020	5 Years	28,229	28,229
Hull Street	Verizon	Aug 2022	7 Years	44,461	133,382
Main Library - 320 South Jackson Street	Verizon	May 2021	6 Years	51,196	102,392
Life Sciences - 122 Green Street	Verizon	Dec 2019	5 Years	52,256	—
Oglethorpe House	Verizon	Jan 2020	5 Years	55,807	—
Sanford Stadium	Verizon	Aug 2019	5 Years	40,897	—
Educational Broadband Service	Clearwire Spectrum Holdings	Jun 2009	30 Years	149,508	2,242,617
Center for Applied Genetic Technologies	Blue Lake Biotechnologies, LLC	Jun 2020	5 Years	66,743	66,743
Solar Farm	Georgia Power	Jun 2015	25 Years	7,917	126,678
Skidaway Institute of Oceanography	NOAA	Jun 2019	8 Years	42,293	126,879
Bledsoe Research Farm	Colorado State University	Jun 2019	5 Years	2,489	9,954

Animal Science - 425 River Road	Boehringer Ingelheim	Jul 2022	8 Years	107,475	644,848
Animal Science - 425 River Road	ArunA Biomedical	Jul 2023	4 Years	81,795	245,386
IPBGG - 111 Riverbend Rd	Glycoscientific	Jul 2023	4 Years	45,475	136,425
IPBGG - 111 Riverbend Rd	Lectenz	July 2023	4 Years	47,792	143,375
110 Riverbend Rd	MHG Meredian	July 2023	4 Years	50,528	151,583
110 Riverbend Rd	MHG Danimer	July 2023	4 Years	46,010	138,030
Animal Science - 425 River Road	Dalan Animal Health	March 2024	5.33 Years	24,106	120,531
				<u>\$ 1,310,411</u>	<u>\$ 5,611,083</u>

Note 10 Net Position

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

NET POSITION

Net Investment in Capital Assets	<u>\$ 2,042,687,273</u>
Restricted for	
Nonexpendable	
Permanent Endowment	<u>86,999,897</u>
Expendable	
Sponsored and Other Organized Activities	121,176,079
Federal Loans	1,514,310
Institutional Loans	12,231,694
Quasi-Endowments	34,637,824
Capital Projects	<u>20,515,719</u>
Sub-Total	<u>190,075,626</u>
Unrestricted	
Auxiliary Enterprises Operations	144,660,464
Reserve for Encumbrances	178,880,849
Reserve for Inventory	1,487,000
Capital Liability Reserve Fund	1,447,784
Other Unrestricted (Deficit)	<u>(1,684,938,765)</u>
Sub-Total	<u>(1,358,462,668)</u>
Total Net Position	<u>\$ 961,300,128</u>

Other unrestricted net position is reduced by \$1,064,200,574 related to the recording of net OPEB liability, deferred inflow of resources, and deferred outflow of resources related to OPEB plan. Other unrestricted net position is also reduced by \$723,949,207 related to the recording of net pension liability, deferred inflow of resources, and deferred outflow or resources on defined benefit pension plans. These OPEB and pension balances are mostly funded through state appropriation, student tuition and fees that are subject to State surplus rules which prevents the accumulation of budgetary fund balance. Therefore, the University is statutorily unable to maintain accumulated net position to offset these OPEB and pension balances.

Changes in net position for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Net Investments in Capital Assets	\$ 1,892,669,147	\$ 288,696,595	\$ 138,678,469	\$ 2,042,687,273
Restricted Net Position	261,858,037	483,208,200	467,990,714	277,075,523
Unrestricted Net Position	(1,288,420,548)	1,671,978,065	1,742,020,185	(1,358,462,668)
Total Net Position	<u>\$ 866,106,636</u>	<u>\$ 2,443,882,860</u>	<u>\$ 2,348,689,368</u>	<u>\$ 961,300,128</u>

Note 11 Endowments

Donor Restricted Endowments

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. For University controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determine to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation on endowment investments available for authorization for expenditure was \$9,403,415 and is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the University's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure.

For the current year, the University did not incur investment losses that exceeded the related endowment's available accumulated income and net appreciation.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2024. The University entered into one lease agreement in the amount of \$2,597,611, prior to June 30, 2024, with an inception date of July 1, 2024 or later. This amount is not reflected in the accompanying basic financial statements.

Note 13 Leases and Subscriptions

The University leases facilities, office and computer equipment, and other assets. The University also enters into certain subscription-based contracts to use vendor provided information technology (IT). Although lease and/or subscription terms vary, many leases and/or subscription agreements are subject to appropriation from the General Assembly to continue the obligation. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the University. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The University's principal and interest payments related to leases for fiscal year 2024 were \$6,654,108 and \$336,266, respectively. Additionally, the University had reductions in principal balances due to early terminations and amendments in the amount of \$981,716. Interest rates range from .3449% - 2.7440%.

The University's principal and interest payments related to SBITAs for fiscal year 2024 were \$3,016,995 and \$201,282 respectively. Additionally, the University had reductions in principal balances due to early terminations and amendments in the amount of \$465,263. Interest rates range from 2.26% - 2.74%.

Lease Obligations

The University has \$7,541,601 in outstanding lease obligations due to component units. Component units have \$7,541,601 in investment in lease receivables due from the University.

There were no residual guaranteed payments or variable payments based on performance expensed for fiscal year ended June 30, 2024.

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

Description	Gross Amount	Less: Accumulated Depreciation	Net Assets Held Under Lease Obligations at June 30, 2024	Outstanding Balance per Lease Schedules at June 30, 2024
	(+)	(-)	(=)	
Leased Equipment	\$ 2,317,700	\$ 929,937	\$ 1,387,763	\$ 1,347,425
Leased Buildings and Building Improvements	31,082,635	16,850,578	14,232,057	14,909,391
Total Assets Held Under Lease	<u>\$ 33,400,335</u>	<u>\$ 17,780,515</u>	<u>\$ 15,619,820</u>	<u>\$ 16,256,816</u>

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

LEASE SCHEDULE

Description	Lessor	Original Principal	Lease Term	Begin Month/ Year	End Month/ Year	Outstanding Principal
Cortona Italy Foundation	UGA Real Estate Foundation	\$ 547,355	13 years	Jul 2014	Jun 2026	\$ 233,299 (1)
Gwinnett Intellicenter, Duluth GA	UGA Real Estate Foundation	9,643,857	10 years	Jan 2017	Apr 2027	4,973,090 (1)
Live Oak Square, Atlanta GA	UGA Real Estate Foundation	3,630,567	5 years	Mar 2019	Aug 2024	201,681 (1)
Library Repository	UGA Research Foundation	293,268	5 years	Jul 2020	Jun 2025	74,744 (1)
Oxford England	UGA Foundation	3,263,235	5 years	Jul 2022	Jun 2027	2,058,787 (1)
Washington DC	UGA Foundation	1,560,400	4 years	Jul 2020	Jun 2024	— (1)
Various Building Space Leases	Various Vendors	11,778,467	5-11 years	Jul 2018	Jun 2032	7,367,790
Various Equipment Leases	Various Vendors	<u>2,317,700</u>	2 - 5 years	Aug 2019	Apr 2029	<u>1,347,425</u>
Total Leases		<u>\$ 33,034,849</u>				<u>\$ 16,256,816</u>

(1) These leases are related party transactions.

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

Below is the future commitments related to the outstanding lease obligations as of June 30, 2024:

	<u>Principal</u>	<u>Interest</u>
Year Ending June 30:		
2025	\$ 4,955,022	\$ 226,509
2026	4,579,136	150,150
2027	4,051,439	74,936
2028	1,349,896	29,256
2029	1,052,349	10,867
2030 through 2034	268,974	4,639
Total Minimum Lease Payments	<u>\$ 16,256,816</u>	<u>\$ 496,357</u>

Subscription Obligations

There were no variable payments based on performance, nor termination penalties expensed for fiscal year ended June 30, 2024.

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

Description	<u>Gross Amount</u>	<u>Less: Accumulated Amortization</u>	<u>Net Assets Held Under Subscription Obligations at June 30, 2024</u>	<u>Outstanding Balance per Subscription Schedules at June 30, 2024</u>
Subscription Based IT Arrangements (SBITAs)	<u>\$ 9,628,255</u>	<u>\$ 2,431,700</u>	<u>\$ 7,196,555</u>	<u>\$ 4,387,102</u>

Below is the future commitments related to the outstanding subscription obligations year at June 30, 2024:

	<u>Principal</u>	<u>Interest</u>
Year Ending June 30:		
2025	\$ 2,059,710	\$ 114,570
2026	1,496,100	60,726
2027	418,037	22,696
2028	413,255	11,340
Total Minimum Subscription Payments	<u>\$ 4,387,102</u>	<u>\$ 209,332</u>

Note 14 Retirement Plans

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

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

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

General Information about the Teachers Retirement System

Plan description

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

Benefits Provided

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

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2024. The University's contractually required contribution rate for the year ended June 30, 2024 was 19.98% of the University's annual payroll. The University's contributions to TRS totaled \$112,783,451 for the year ended June 30, 2024.

General Information about the Employees' Retirement System

Plan description

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

Benefits provided

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

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

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

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The required contribution rate for the year ended June 30, 2024 was 29.35% of annual covered payroll for old and new plan members and 25.51% for GSEPS members. The University's contributions to ERS totaled \$754,512 for the year ended June 30, 2024. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2024, the University reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2022. An expected total pension liability as of June 30, 2023 was determined using standard roll-forward techniques. The University's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2023. At June 30, 2023, the University's TRS proportion was 3.667741%, which was an increase of 0.179174% from its proportion measured as of June 30, 2022. At June 30, 2023, the University's ERS proportion was 0.101189%, which was a decrease of (0.004366)% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized pension expense of \$214,833,889 for TRS and \$1,520,290 for ERS. At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,986,919	\$ 4,477,321	\$ 91,695	\$ 14,145
Changes of assumptions	111,404,552	—	232,280	—
Net difference between projected and actual earnings on pension plan investments	76,161,485	—	245,907	—
Changes in proportion and differences between contributions and proportionate share of contributions	28,378,198	15,518,649	46,496	113,395
Contributions subsequent to the measurement date	112,783,451	—	754,512	—
Total	<u>\$ 383,714,605</u>	<u>\$ 19,995,970</u>	<u>\$ 1,370,890</u>	<u>\$ 127,540</u>

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

Year Ending June 30:	TRS	ERS
2025	\$ 70,195,373	\$ 206,368
2026	48,941,407	(96,487)
2027	154,448,827	491,404
2028	(22,650,423)	(112,447)

Actuarial assumptions

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

Teachers Retirement System

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

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

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

Employees' Retirement System

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

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

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

The long-term expected rate of return on TRS and ERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major

asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	TRS target allocation	TRS Long-term expected real rate of return*	ERS target allocation	ERS Long-term expected real rate of return*
Fixed income	30.00 %	0.90 %	30.00 %	0.90 %
Domestic large equities	46.30 %	9.40 %	46.30 %	9.40 %
Domestic small equities	1.20 %	13.40 %	1.20 %	13.40 %
International developed market equities	12.30 %	9.40 %	12.30 %	9.40 %
International emerging market equities	5.20 %	11.40 %	5.20 %	11.40 %
Alternatives	5.00 %	10.50 %	5.00 %	10.50 %
Total	<u>100.00 %</u>		<u>100.00 %</u>	

* Rates shown are net of inflation

Discount rate

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

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

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

Teachers Retirement System:

	1% Decrease 5.90%	Current discount rate 6.90%	1% Increase 7.90%
Proportionate share of the net pension liability	1,712,150,829	\$ 1,082,874,672	568,985,977

Employees' Retirement System:

	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	8,283,365	6,036,521	4,145,730

Pension plan fiduciary net position

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

B. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

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

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2024, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6.00% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The University and the covered employees made the required contributions of \$26,872,443 (9.24%) and \$17,449,640 (6.00%), respectively.

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

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2024, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

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

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

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

indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

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

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

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

Note 16 Contingencies

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

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

Note 17 Post-Employment Benefits Other Than Pension Benefits

Board of Regents Retiree Health Benefit Plan

Plan Description and Funding Policy

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

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2024, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

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

The University's membership in the Plan consisted of the following at June 30, 2024:

Active Employees	10,824
Retirees or Beneficiaries Receiving Benefits	5,056
Retirees Receiving Life Insurance Only	<u>944</u>
 Total	 <u><u>16,824</u></u>

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

The University pays the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2024 plan year, the employer rate was approximately 83% of the total health insurance cost for eligible retirees and the retiree rate was approximately 17%. For employees hired on or after January 1, 2013 and retirees after January 1, 2018, the amount the USG contributes is tied to years of service, which ranges from 0% to 100%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2024, the University contributed \$22,803,905 to the plan for current premiums or claims.

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

At June 30, 2024, the University reported a liability for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of May 1, 2023. An expected total OPEB liability as of June 30, 2023 was determined using standard roll-forward techniques. The University's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2023. At June 30, 2023, the University's proportion was 24.290827%, which was an increase of 0.111326% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the University recognized OPEB expense of \$(62,395,914). At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33,137,665	\$ 5,895,946
Changes of assumptions	64,629,765	420,208,624
Net difference between projected and actual earnings on OPEB plan investments	3,499,484	—
Changes in proportion and differences between contributions and proportionate share of contributions	12,349,420	2,712,264
Contributions subsequent to the measurement date	<u>22,803,905</u>	<u>—</u>
Total	<u><u>\$ 136,420,239</u></u>	<u><u>\$ 428,816,834</u></u>

The University's contributions subsequent to the measurement date of \$22,803,905 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2025	\$	(98,772,504)
2026		(97,252,841)
2027		(75,517,636)
2028		(38,276,433)
2029		(5,381,086)
Thereafter		—

Actuarial assumptions

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of May 1, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Cost Method	Entry Age Normal
Amortization Method	Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	Interest Rate as of 6/30/2023 of 3.65% from Bond Buyers GO 20-Municipal Bond Index Rate; Discount Rate 3.69% Interest Rate as of 6/30/2022 of 3.54% from Bond Buyers GO 20- Municipal Bond Index Long-term Rate of Return 5.40% General Inflation 2.30% Salary Increase 3.75%
Mortality Rates	Pub - 2010 for Teachers (headcount weighted) projected with a scale MP-2021
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.7%
Medicare Eligible	2%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	2%
Year Ultimate Trend is Reached	Fiscal Year 2034 for Pre-Medicare Eligible, Fiscal Year 2023 for Medicare Eligible
Experience Study	Economic and demographic assumptions are based on the results of the most recent actuarial experience study over the Plan, which covered a three-year period ending June 30, 2019 with the exception of the disability and salary increase assumptions. These assumptions are based on the results of the most recent actuarial experience study of the Teachers Retirement System of Georgia, which covered the five year period ending June 30, 2018.

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,000 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

Changes in Plan Since Prior Valuation

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return, Net of Inflation	Target Allocation
Cash Equivalents		
Fixed Income	1.63 %	70 %
Equity Allocation	4.52 %	30 %

Discount rate

The Plan's projected fiduciary net position at the end of 2027 is \$0, based on the valuation completed for the fiscal year ending June 30, 2023. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2028. Therefore, the long-term expected rate of return on Plan investments of 5.40% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2023, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a single equivalent yield or index rate of 3.69% was used. This rate is comprised primarily of the yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher (3.65% from the Bond Buyers GO 20-Bond Municipal Bond Index).

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

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate (3.69%):

	1% Decrease 2.69%	Current Rate 3.69%	1% Increase 4.69%
Proportionate Share of the Net OPEB Liability	\$ 896,583,639	\$ 771,803,983	\$ 670,414,893

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

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

	1% Decrease	Current Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 677,067,178	\$ 771,803,983	\$ 889,485,557
Pre-Medicare Eligible	6.7% decreasing to 3.5%	7.7% decreasing to 4.5%	8.7% decreasing to 5.5%
Medicare Eligible	1.0%	2.0%	3.0%

OPEB plan fiduciary net position:

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

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal year 2024 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 168,505,374	\$ 93,789,758	\$ 67,330,765	\$ 869,087	\$ 6,562,975
Research	169,135,812	119,359,598	82,051,122	453,766	12,016,094
Public Service	59,919,186	67,170,674	53,659,250	111,192	3,798,217
Academic Support	27,939,167	73,269,415	42,611,724	189,806	795,722
Student Services	3,380,913	27,304,625	13,127,257	51,025	618,013
Institutional Support	6,255,306	56,474,576	36,676,246	1,195,956	1,101,476
Plant Operations and Maintenance	753,310	60,086,929	29,610,085	3,772	216,783
Scholarships and Fellowships	—	—	—	—	—
Auxiliary Enterprises	5,916,056	98,572,348	37,694,866	577,688	287,977
Total Operating Expenses	\$ 441,805,124	\$ 596,027,923	\$ 362,761,315	\$ 3,452,292	\$ 25,397,257

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ —	\$ 1,755,029	\$ 38,808,200	\$ 22,402,595	\$ 400,023,783
Research	—	1,781,545	119,362,108	35,099,346	539,259,391
Public Service	—	1,066,219	46,080,347	9,974,163	241,779,248
Academic Support	—	2,154,407	39,915,580	19,541,914	206,417,735
Student Services	—	357,924	9,488,010	2,355,330	56,683,097
Institutional Support	—	460,745	16,945,822	5,587,001	124,697,128
Plant Operations and Maintenance	—	40,208,479	82,367,201	8,344,179	221,590,738
Scholarships and Fellowships	35,680,160	—	—	—	35,680,160
Auxiliary Enterprises	—	12,855,649	46,440,026	20,117,482	222,462,092
Total Operating Expenses	\$ 35,680,160	\$ 60,639,997	\$ 399,407,294	\$ 123,422,010	\$ 2,048,593,372

Note 19 Subsequent Event

On September 5th, 2024 the Board, by and on behalf of University of Georgia, entered into a lease agreement with UGA Real Estate Foundation, Inc (UGAREF), a component unit of University of Georgia Research Foundation, Inc., where UGAREF would build and furnish a student housing facility. The lease term is for thirty years. Pre-payments for rent during the construction period began July 2024 with an initial payment of \$16,000,000. Rental payments for the lease period will not begin until July 1, 2026. The total rental payments will be \$112,203,108 over the lease term. In August 2024, UGAREF entered into a promissory note agreement to repay \$65,000,000 Series 2024 bonds issued by the Athens Housing Authority. The proceeds of the bonds will be used to construct a 125,000 sq. ft. residential housing facility with approximately 568 student beds.

On October 31st, 2024, the Board, by and on behalf of University of Georgia, entered into a lease agreement with UGA Real Estate Foundation, Inc. (UGAREF), a component unit of University of Georgia Research Foundation, Inc., where UGAREF would build and furnish a west campus dining, learning, and well-being center. The lease term is for thirty years. Pre-payments for rent during the construction period began July 2024 with an initial payment of \$7,061,538. Rental payments for the lease period will not begin until July 1, 2026. The total rental payments will be \$91,472,348 over the lease term. UGAREF entered into a promissory note agreement to repay \$48,040,000 Series 2024 bonds issued by the Athens Housing Authority. The proceeds of the bonds will be used to construct a 68,000 square foot dining, learning, and well-being center.

Note 20 Component Units

University of Georgia Athletic Association, Inc.

The University of Georgia Athletic Association, Inc. (the Athletic Association) is a legally separate, tax-exempt component unit of the University of Georgia (University). The Athletic Association was organized in 1928 as a not-for-profit corporation to promote intercollegiate athletic sports representing the University. Although the University is not fiscally accountable for the Athletic Association, the nature and significance of the relationship between the University and the Athletic Association is such that exclusion from these departmental financial statements would render them misleading. The Athletic Association reports under GASB Standards.

During the year ended June 30, 2024, the Athletic Association made payments to the University for services such as food services, parking services, health services, tuition, gas, electricity, security, and golf course maintenance. These payments totaled \$68.7 million.

The Athletic Association has an unused line of credit in the amount of \$49,999,000.

University of Georgia Foundation, Inc.

The University of Georgia Foundation (the UGA Foundation) is a not for profit foundation that was chartered in 1937 to receive and administer contributions for the support of the academic programs of the University of Georgia (University). The UGA Foundation reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

During the year ended June 30, 2024, the UGA Foundation distributed \$77.9 million to the University in support of program services including capital projects, scholarships, and other supporting activities, and \$8.4 million for unrestricted support including fundraising and general and administrative purposes.

University of Georgia Research Foundation, Inc.

The University of Georgia Research Foundation (the Research Foundation) is a legally separate, tax-exempt affiliated organization of the University of Georgia (University). The Research Foundation serves to enhance the research mission of the University by securing sponsored research funding and by providing funding of special research initiatives. All University intellectual property developed through these research programs is managed by the Research Foundation. The seventeen-member board of the Research Foundation consists of designated University personnel, appointees of several University constituent groups, and individuals selected by the Research Foundation itself. All sponsored research awards are subcontracted to the University and other resources and related income are used to benefit the teaching, research, and outreach missions of the University. During the year ended June 30, 2024, the Research Foundation distributed \$298 million to the University for research contracts, \$10.3 million for restricted license and royalties, and \$6.7 million for both restricted and unrestricted support.

The Research Foundation is considered a special-purpose government entity engaged only in business-type activities and is required to follow all applicable GASB pronouncements. The Research Foundation's fiscal year is July 1 through June 30.

The Research Foundation includes one component unit; the UGA Real Estate Foundation, Inc. (the Real Estate Foundation). The Research Foundation is the sole corporate member of the Real Estate Foundation and its activities are included in the financial statements using a blended presentation. The Real Estate Foundation manages and improves various real estate assets for the benefit of the University. The Real Estate Foundation may also provide support to the Board of Regents of the University System of Georgia and its affiliated institutions.

Complete financial statements for the Research Foundation can be obtained from the University of Georgia, Finance Division, 324 Business Services Building, 456 East Broad Street, Athens, GA 30602.

The Research Foundation has an unused line of credit in the amount of \$10,645,122.

The Research Foundation's outstanding bonds payable and/or notes and loans payable are secured with collateral related to real property.

Consolidation and Elimination Adjustments

The University of Georgia Foundation maintains pooled investment funds for the University of Georgia Athletic Association and the University of Georgia Research Foundation for investment purposes. An elimination entry of \$64,166,755 was made to reduce the duplication of investment activity reflected on each component unit's individual financial statements.

An elimination entry of \$2,034,881 was made to reduce the duplication of deferred compensation payable reflected on The University of Georgia Athletic Association's individual financial statements. Deferred compensation is also reported by the University for athletic department employees.

Combined component unit's investments are comprised of the following amounts at June 30, 2024:

Investment type	Fair Value
Debt Securities	
U.S. Treasuries	\$ 19,350,433
U.S. Agencies	
Bond Securities	22,059,283
Corporate Debt	16,417,335
Money Market Mutual Funds	125,665,913
Mutual Bond Funds	316,441,833
Repurchase Agreements	49,258,034
Other Investments	
Equity Mutual Funds - Domestic	382,703,390
Equity Mutual Funds - International	326,076,736
Equity Securities - Domestic	2,362,984
Hedge Funds	1,905
Hedge Fund Limited Partnerships	361,729,235
Private Equity Limited Partnerships	308,927,129
Natural Resources	86,586,264
Real Estate Investment Trusts	45,539,101
Real Asset Limited Partnerships	42,031,535
Commodities Common Trust funds	3,566,870
Other	2,125,435
	2,110,843,415
Investment Pools	
Board of Regents	
Short-Term Fund	13,036,457
Total Investments	\$ 2,123,879,872

Component unit investments of \$56,529,466 are reported as cash and cash equivalents on the Statement of Net Position.

Combined component unit's endowments are comprised of the following amounts at June 30, 2024:

	Unrestricted	Restricted	Total
Beginning Balance	\$ 196,209,673	\$ 1,398,441,478	\$ 1,594,651,151
Contributions	16,327,467	55,251,184	71,578,651
Net realized and unrealized gains	20,091,972	157,734,325	177,826,297
Appropriation of endowment assets for expenditure	(2,469,699)	(57,235,382)	(59,705,081)
Ending	<u>\$ 230,159,413</u>	<u>\$ 1,554,191,605</u>	<u>\$ 1,784,351,018</u>

Combined amounts due to component units related to investment in financing lease arrangement as of June 30, 2024 is as follows:

Year Ending June 30:	Year:	Principal	Interest	Total
2025	1	\$ 9,833,478	\$ 8,953,039	\$ 18,786,517
2026	2	10,283,006	8,486,789	18,769,795
2027	3	10,752,179	7,998,267	18,750,446
2028	4	11,254,411	7,486,240	18,740,651
2029	5	11,765,984	6,949,652	18,715,636
2030 through 2034	6-10	66,639,028	25,781,412	92,420,440
2035 through 2039	11-15	45,809,317	11,919,246	57,728,563
2040 through 2044	16-20	16,815,408	4,370,823	21,186,231
2045 through 2049	21-24	9,145,541	1,930,668	11,076,209
2050 through 2054	26-30	6,297,849	343,945	6,641,794
Total Minimum Lease Payments to be Received		<u>198,596,201</u>	<u>84,220,081</u>	<u>282,816,282</u>

Combined amounts due to component units related to lease activity as of June 30, 2024 is as follows:

Year Ending June 30:	Year:	Principal	Interest	Total
2024	1	\$ 2,079,797	\$ 61,014	\$ 2,140,811
2025	2	1,880,053	34,929	1,914,982
2026	3	1,522,964	9,636	1,532,600
Total minimum lease payments to be received		<u>5,482,814</u>	<u>105,579</u>	<u>5,588,393</u>

Combined component unit's capital assets are comprised of the following amounts at June 30, 2024:

Capital Assets not being Depreciated:	
Land	\$ 41,579,185
Capitalized Collections	2,322,808
Construction Work-in-Progress	125,124,298
Total Capital Assets not being Depreciated	<u>169,026,291</u>
Capital Assets being Depreciated:	
Building and Building Improvements	520,382,699
Facilities and Other Improvements	44,138,678
Equipment	16,336,066
Software	3,274,754
Total Capital Assets being Depreciated/Amortized	<u>584,132,197</u>
Less Total Accumulated Depreciation/Amortization	<u>205,332,764</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>378,799,433</u>
Capital Assets, Net	<u><u>\$ 547,825,724</u></u>

Combined intangible right-to-use assets for component units are comprised of the following amounts at June 30, 2024:

Intangible Right-to-use Assets, Being Amortized	
Building and Building Improvements	\$ 12,722,189
Equipment	1,607,379
Subscription Based IT Arrangements	3,333,557
Total Intangible Assets, Being Amortized	<u>17,663,125</u>
Less: Accumulated Amortization	
Building and Building Improvements	8,042,365
Equipment	696,216
Subscription Based IT Arrangements	1,488,752
Total Accumulated Amortization	<u>10,227,333</u>
Intangible Right-to-use Assets, net	<u><u>\$ 7,435,792</u></u>

Combined component unit's long-term liabilities are comprised of the following amounts at June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts due within One Year</u>
Lease Obligation	\$ 8,139,342	\$ 1,092,378	\$ 3,161,386	\$ 6,070,334	\$ 2,144,826
Subscription Obligations	2,407,555	367,832	938,005	1,837,382	807,635
Liabilities under Split Interest Agreement	7,817,251	1,271,482	—	9,088,733	942,921
Notes and Loans Payable	42,332,854	5,313,656	20,953,836	26,692,674	629,891
Interest Rate Swap	38,998	—	239,546	(200,548)	—
Revenue/Mortgage Bonds Payable	311,045,000	—	15,230,000	295,815,000	15,645,000
Bond - Premium	25,289,351	—	2,114,697	23,174,654	—
Total Long Term Liabilities	\$ 397,070,351	\$ 8,045,348	\$ 42,637,470	\$ 362,478,229	\$ 20,170,273

Combined lease obligations for component units are comprised of the following amounts at June 30, 2024:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:	Year:			
2025	1	\$ 2,144,826	\$ 78,783	\$ 2,223,609
2026	2	2,167,098	46,268	2,213,366
2027	3	1,742,738	13,076	1,755,814
2028	4	15,672	35	15,707
Total minimum lease payments		6,070,334	138,162	6,208,496

Combined component unit's subscription obligations are comprised of the following amounts at June 30, 2024:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:	Year:			
2025	1	\$ 807,635	\$ 24,658	\$ 832,293
2026	2	631,833	9,624	641,457
2027	3	397,914	25	397,939
Total minimum lease payments		1,837,382	34,307	1,871,689

Combined component unit's notes and loans are comprised of the following amounts at June 30, 2024:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:	Year:			
2025	1	\$ 629,891	\$ 494,041	\$ 1,123,932
2026	2	654,524	467,509	1,122,033
2027	3	680,807	439,769	1,120,576
2028	4	707,780	411,444	1,119,224
2029	5	15,095,365	380,503	15,475,868
2030 through 2034	6-10	4,206,937	1,396,839	5,603,776
2035 through 2039	11-15	4,502,370	430,648	4,933,018
2040 through 2044	16-20	215,000	518	215,518
Total		\$ 26,692,674	\$ 4,021,271	\$ 30,713,945

Combined component unit's bonds payable are comprised of the following amounts at June 30, 2024:

		Principal	Interest	Total
Year ending June 30:	Year:			
2025	1	\$ 15,645,000	\$ 12,010,597	\$ 27,655,597
2026	2	16,200,000	11,392,243	27,592,243
2027	3	18,520,000	10,729,824	29,249,824
2028	4	19,290,000	9,923,522	29,213,522
2029	5	20,080,000	9,076,057	29,156,057
2030 through 2034	6-10	102,415,000	32,305,304	134,720,304
2035 through 2039	11-15	59,445,000	15,689,795	75,134,795
2040 through 2044	16-20	29,785,000	5,541,250	35,326,250
2045 through 2049	21-24	8,660,000	1,701,150	10,361,150
2050 through 2054	26-30	5,775,000	438,750	6,213,750
		295,815,000	108,808,492	404,623,492
Bond Premium		23,174,654	—	23,174,654
Total		\$ 318,989,654	\$ 108,808,492	\$ 427,798,146



REQUIRED SUPPLEMENTARY SECTION



UNIVERSITY OF
GEORGIA

**UNIVERSITY OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
FOR THE LAST TEN FISCAL YEARS**

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Employees' Retirement System	June 30, 2024	\$ 754,512	\$ 754,512	\$ —	\$ 2,570,001	29.36%
	June 30, 2023	\$ 789,643	\$ 789,643	\$ —	\$ 2,543,937	31.04%
	June 30, 2022	\$ 578,702	\$ 578,702	\$ —	\$ 2,346,791	24.66%
	June 30, 2021	\$ 546,902	\$ 546,902	\$ —	\$ 2,217,760	24.66%
	June 30, 2020	\$ 590,091	\$ 590,091	\$ —	\$ 2,389,403	24.70%
	June 30, 2019	\$ 597,920	\$ 597,920	\$ —	\$ 2,406,752	24.84%
	June 30, 2018	\$ 588,349	\$ 588,349	\$ —	\$ 2,272,341	25.89%
	June 30, 2017	\$ 508,186	\$ 508,186	\$ —	\$ 1,979,582	25.67%
	June 30, 2016	\$ 519,785	\$ 519,785	\$ —	\$ 2,061,311	25.22%
	June 30, 2015	\$ 385,819	\$ 385,819	\$ —	\$ 1,733,437	22.26%
Teachers Retirement System	June 30, 2024	\$ 112,783,451	\$ 112,783,451	\$ —	\$ 563,773,426	20.01%
	June 30, 2023	\$ 104,919,010	\$ 104,919,010	\$ —	\$ 526,162,911	19.94%
	June 30, 2022	\$ 92,797,418	\$ 92,797,418	\$ —	\$ 467,939,531	19.83%
	June 30, 2021	\$ 86,865,189	\$ 86,865,189	\$ —	\$ 456,497,341	19.03%
	June 30, 2020	\$ 98,517,318	\$ 98,517,318	\$ —	\$ 464,009,556	21.23%
	June 30, 2019	\$ 95,082,088	\$ 95,082,088	\$ —	\$ 448,603,779	21.20%
	June 30, 2018	\$ 72,820,704	\$ 72,820,704	\$ —	\$ 432,012,936	16.86%
	June 30, 2017	\$ 60,690,947	\$ 60,690,947	\$ —	\$ 426,989,538	14.21%
	June 30, 2016	\$ 57,583,354	\$ 57,583,354	\$ —	\$ 404,092,295	14.25%
	June 30, 2015	\$ 49,534,749	\$ 49,534,749	\$ —	\$ 378,176,373	13.10%

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

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	June 30, 2024	0.101189%	\$ 6,036,521	\$ 2,543,937	237.29%	71.20%
	June 30, 2023	0.105555%	\$ 7,049,454	\$ 2,346,791	300.39%	67.44%
	June 30, 2022	0.096104%	\$ 2,247,780	\$ 2,217,760	101.35%	87.62%
	June 30, 2021	0.095000%	\$ 4,004,209	\$ 2,389,403	167.58%	76.21%
	June 30, 2020	0.095743%	\$ 3,950,865	\$ 2,406,752	164.16%	76.74%
	June 30, 2019	0.091022%	\$ 3,741,944	\$ 2,272,341	164.67%	76.68%
	June 30, 2018	0.081550%	\$ 3,312,019	\$ 1,979,582	167.31%	76.33%
	June 30, 2017	0.090000%	\$ 4,214,520	\$ 2,061,311	204.46%	72.34%
	June 30, 2016	0.076807%	\$ 3,111,757	\$ 1,733,437	179.51%	76.20%
	June 30, 2015	0.089019%	\$ 3,338,763	\$ 2,058,830	162.17%	77.99%
Teachers Retirement System	June 30, 2024	3.667741%	\$ 1,082,874,672	\$ 526,162,911	205.81%	76.29%
	June 30, 2023	3.488567%	\$ 1,132,805,139	\$ 467,939,531	242.08%	72.85%
	June 30, 2022	3.540144%	\$ 313,102,124	\$ 456,497,341	68.59%	92.03%
	June 30, 2021	3.642312%	\$ 882,310,527	\$ 464,009,556	190.15%	77.01%
	June 30, 2020	3.727000%	\$ 801,582,530	\$ 448,603,779	178.68%	78.56%
	June 30, 2019	3.680000%	\$ 683,344,097	\$ 432,012,936	158.18%	80.27%
	June 30, 2018	3.750000%	\$ 696,491,851	\$ 426,989,538	163.12%	79.33%
	June 30, 2017	3.720000%	\$ 766,801,603	\$ 404,092,295	189.76%	76.06%
	June 30, 2016	3.620000%	\$ 550,468,579	\$ 378,176,373	145.56%	81.44%
	June 30, 2015	3.570000%	\$ 451,638,809	\$ 359,137,320	125.76%	84.03%

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

**UNIVERSITY OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Changes of assumptions

Employees' Retirement System:

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

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

Teachers Retirement System:

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

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

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

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

**UNIVERSITY OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST EIGHT FISCAL YEARS***

Year Ended	Contractually Required Contribution (a)	Contributions in Relation to the Contractually Required Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
June 30, 2024	\$ 22,803,905	\$ 22,803,905	\$ —	\$ 886,534,207	2.57%
June 30, 2023	\$ 24,651,808	\$ 24,651,808	\$ —	\$ 825,048,018	2.99%
June 30, 2022	\$ 35,384,986	\$ 35,384,986	\$ —	\$ 780,710,307	4.53%
June 30, 2021	\$ 28,246,688	\$ 28,246,688	\$ —	\$ 728,014,959	3.88%
June 30, 2020	\$ 24,718,097	\$ 24,718,097	\$ —	\$ 735,283,862	3.36%
June 30, 2019	\$ 38,281,461	\$ 38,281,461	\$ —	\$ 670,452,954	5.71%
June 30, 2018	\$ 38,104,754	\$ 38,104,754	\$ —	\$ 647,913,211	5.88%
June 30, 2017	\$ 23,984,368	\$ 23,984,368	\$ —	\$ 668,496,675	3.59%

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

**UNIVERSITY OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
FOR THE LAST SEVEN FISCAL YEARS***

Year Ended	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Employee Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2024	24.290827%	\$ 771,803,983	\$ 825,048,018	93.55%	6.44%
June 30, 2023	24.179502%	\$ 957,827,936	\$ 780,710,307	122.69%	5.08%
June 30, 2022	24.064159%	\$ 1,211,168,523	\$ 728,014,959	166.37%	3.74%
June 30, 2021	24.046709%	\$ 1,282,583,952	\$ 735,283,862	174.43%	2.91%
June 30, 2020	23.868779%	\$ 1,067,308,683	\$ 670,452,954	159.19%	3.13%
June 30, 2019	24.053003%	\$ 1,060,918,096	\$ 647,913,211	163.74%	1.69%
June 30, 2018	24.084583%	\$ 1,016,303,379	\$ 668,496,675	152.03%	0.19%

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

**UNIVERSITY OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR OPEB PLAN
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Assumptions Since Prior Valuation

The financial accounting valuation reflects the following assumption changes:

- Expected claims costs were updated to reflect actual experience.
- Trend rate schedule was updated to reflect anticipated future experience.
- The Catastrophic Drug Claim Fund assumption was updated from \$200,000 annually to a one time cost of \$130,000 to reflect the elimination of the catastrophic gap effective January 1, 2024 as part of the Inflation Reduction Act.
- The discount rate was updated from 3.54% as of June 30, 2022, to 3.69% as of June 30, 2023.
- The Expected Return on Assets was changed from 4.36% to 5.40%.
- The HRA trend rate assumption was updated from 4.00% to 2.00% to reflect anticipated future experience as a result of the constant HRA amount from 2016 through 2023, and the decrease in HRA amount effective January 1, 2024.

Changes in Plan Since Prior Valuation

The following plan amendments were reflected since the prior measurement date:

- Effective January 1, 2024, the Health Reimbursement Account (HRA) for medicare eligible retirees was decreased from \$2,736 to \$2,640 to purchase individual coverage and from \$5,472 to \$5,280 for dual coverage.



SUPPLEMENTARY INFORMATION



UNIVERSITY OF
GEORGIA

**UNIVERSITY OF GEORGIA
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2024**

ASSETS

Cash and Cash Equivalents	\$ 364,165,786.04
Accounts Receivable	
Federal Financial Assistance	34,736,793.51
Other	78,273,309.46
Prepaid Expenditures	1,075,694.80
Inventories	2,739,871.16
	<hr/>
Total Assets	<u><u>480,991,454.97</u></u>

LIABILITIES AND FUND EQUITY

Liabilities

Accrued Payroll	3,330,962.90
Encumbrance Payable	178,880,849.27
Accounts Payable	4,414,343.60
Unearned Revenue	56,239,649.30
Funds Held for Others	1,151,940.71
Other Liabilities	25,500.23
	<hr/>
Total Liabilities	<u>244,043,246.01</u>

Fund Balances

Reserved	
Capital Outlay	6,472,920.46
Department Sales and Services	46,720,948.55
Indirect Cost Recoveries	34,753,047.35
Technology Fees	9,404,281.48
Restricted/Sponsored Funds	130,060,618.05
Uncollectible Accounts Receivable	2,747,178.16
Inventories	1,487,000.00
Tuition Carry - Forward	3,099,441.54
Carry-Over "Per Governor's Office of Planning and Budget"	1,095,725.00
Unreserved	
Surplus	1,107,048.37
	<hr/>
Total Fund Balances	<u>236,948,208.96</u>

Total Liabilities and Fund Balances	<u><u>\$ 480,991,454.97</u></u>
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
Agricultural Experiment Station					
State Appropriation					
State General Funds	\$ 53,340,515.00	\$ 53,340,515.00	\$ 53,198,289.00	\$ 53,198,289.00	\$ —
State General Funds - Prior Year Carry-Over	—	—	1,160,000.00	—	1,160,000.00
Federal Funds					
Federal Funds Not Specifically Identified	30,776,779.00	30,776,779.00	51,051,779.00	49,256,363.26	90,925.07
Federal Funds - COVID19					
Federal Funds Not Specifically Identified-COVID	—	—	750,000.00	—	—
Other Funds	17,335,454.00	17,335,454.00	44,186,450.00	42,787,593.13	26,099,671.18
Total Agricultural Experiment Station	101,452,748.00	101,452,748.00	150,346,518.00	145,242,245.39	27,350,596.25
Athens and Tifton Veterinary Laboratories					
Federal Funds					
Federal Funds Not Specifically Identified	495,000.00	495,000.00	1,065,000.00	961,349.90	—
Other Funds	7,752,766.00	7,752,766.00	11,256,747.00	9,580,903.53	3,473,731.31
Total Athens and Tifton Veterinary Laboratories	8,247,766.00	8,247,766.00	12,321,747.00	10,542,253.43	3,473,731.31
Cooperative Extension Service					
State Appropriation					
State General Funds	49,552,824.00	49,552,824.00	50,059,061.00	50,059,061.00	—
Federal Funds					
Federal Funds Not Specifically Identified	15,818,428.00	15,818,427.00	13,013,093.00	11,232,210.70	95,929.06
Federal Funds - COVID19					
Federal Funds Not Specifically Identified	—	—	1,650,000.00	1,643,125.74	—
Other Funds	18,839,906.00	18,839,907.00	40,316,149.00	28,060,551.10	5,842,095.63
Total Cooperative Extension Service	84,211,158.00	84,211,158.00	105,038,303.00	90,994,948.54	5,938,024.69
Forestry Cooperative Extension					
State Appropriation					
State General Funds	1,079,636.00	1,079,636.00	1,094,707.00	1,094,707.00	—
Federal Funds					
Federal Funds Not Specifically Identified	450,000.00	450,000.00	1,100,000.00	942,443.72	—
Other Funds	346,988.00	346,988.00	1,303,143.00	1,050,376.90	274,970.88
Total Forestry Cooperative Extension	1,876,624.00	1,876,624.00	3,497,850.00	3,087,527.62	274,970.88
Forestry Research					
State Appropriation					
State General Funds	3,190,344.00	3,190,344.00	3,260,317.00	3,260,317.00	—
Federal Funds					
Federal Funds Not Specifically Identified	5,620,000.00	5,620,000.00	5,280,000.00	5,033,937.60	17,366.04
Federal Funds - COVID19					
Federal Funds Not Specifically identified-COVID	—	—	85,000.00	65,081.99	—
Other Funds	6,859,243.00	6,859,243.00	13,168,674.00	11,098,226.78	3,559,436.25
Total Forestry Research	15,669,587.00	15,669,587.00	21,793,991.00	19,457,563.37	3,576,802.29

Marine Institute					
State Appropriation					
State General Funds	1,126,088.00	1,126,088.00	1,139,006.00	1,139,006.00	—
Federal Funds					
Federal Funds Not Specifically Identified	367,648.00	367,648.00	296,648.00	—	—
Other Funds	128,333.00	128,333.00	449,007.00	423,822.98	834,142.61
Total Marine Institute	1,622,069.00	1,622,069.00	1,884,661.00	1,562,828.98	834,142.61
Marine Resources Extension Center					
State Appropriation					
State General Funds	1,723,494.00	1,723,494.00	1,760,095.00	1,760,095.00	—
Federal Funds					
Federal Funds Not Specifically Identified	—	800,000.00	1,328,500.00	1,282,463.47	—
Other Funds	1,540,000.00	740,000.00	2,214,725.00	2,135,018.36	409,627.92
Total Marine Resources Extension Center	3,263,494.00	3,263,494.00	5,303,320.00	5,177,576.83	409,627.92
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	2,600,000.00	2,600,000.00	2,600,000.00	2,600,000.00	—
State General Funds - Prior Year Carry Over	—	—	2,010,000.00	—	2,010,000.00
Total Public Service / Special Funding Initiatives	2,600,000.00	2,600,000.00	4,610,000.00	2,600,000.00	2,010,000.00
Skidaway Institute of Oceanography					
State Appropriation					
State General Funds	3,150,314.00	3,150,314.00	3,193,374.00	3,193,374.00	—
Federal Funds					
Federal Funds Not Specifically Identified	2,522,795.00	2,522,795.00	3,830,000.00	3,742,308.83	527.46
Other Funds	1,774,927.00	1,774,927.00	6,005,915.00	2,396,610.39	3,423,449.34
Total Skidaway Institute of Oceanography	7,448,036.00	7,448,036.00	13,029,289.00	9,332,293.22	3,423,976.80
Teaching					
State Appropriation					
State General Funds	494,873,377.00	494,873,377.00	545,022,628.00	545,022,628.00	—
Federal Funds					
Federal Funds Not Specifically Identified	151,600,000.00	151,600,000.00	205,435,000.00	197,399,223.69	1,420,563.63
Federal Funds - COVID19					
Federal Funds Not Specifically identified-COVID	400,000.00	400,000.00	1,050,000.00	633,606.91	410,125.01
Other Funds	850,878,164.00	850,878,164.00	1,112,531,854.00	936,013,833.33	161,332,880.23
Total Teaching	1,497,751,541.00	1,497,751,541.00	1,864,039,482.00	1,679,069,291.93	163,163,568.87
Veterinary Medicine Experiment Station					
State Appropriation					
State General Funds	5,168,289.00	5,168,289.00	5,205,967.00	5,205,967.00	—
Federal Funds					
Federal Funds Not Specifically Identified	90,000.00	90,000.00	1,162,000.00	1,081,499.48	2,572.68
Other Funds	—	—	2,325,000.00	2,229,037.53	415,690.63
Total Veterinary Medicine Experiment Station	5,258,289.00	5,258,289.00	8,692,967.00	8,516,504.01	418,263.31

Veterinary Medicine Teaching Hospital					
State Appropriation					
State General Funds	571,250.00	571,250.00	805,927.00	805,927.00	—
Other Funds	<u>29,000,000.00</u>	<u>29,000,000.00</u>	<u>33,588,366.00</u>	<u>32,757,059.44</u>	<u>4,588,365.77</u>
Total Veterinary Medicine Teaching Hospital	<u>29,571,250.00</u>	<u>29,571,250.00</u>	<u>34,394,293.00</u>	<u>33,562,986.44</u>	<u>4,588,365.77</u>
Total Operating Activity	<u>\$ 1,758,972,562.00</u>	<u>\$ 1,758,972,562.00</u>	<u>\$ 2,224,952,421.00</u>	<u>\$ 2,009,146,019.76</u>	<u>\$ 215,462,070.70</u>

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

**UNIVERSITY OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Actual	Variance Positive (Negative)	
Agricultural Experiment Station						
State Appropriation						
State General Funds	\$ —	\$ 53,198,289.00	\$ —	\$ 53,198,289.00	\$ —	\$ —
State General Funds - Prior Year Carry-Over	—	1,160,000.00	—	460,000.00	700,000.00	700,000.00
Federal Funds						
Federal Funds Not Specifically Identified	—	49,347,288.33	(1,704,490.67)	48,940,954.83	2,110,824.17	406,333.50
Federal Funds - COVID19						
Federal Funds Not Specifically identified - COVID	—	—	(750,000.00)	—	750,000.00	—
Other Funds	—	68,887,264.31	24,700,814.31	38,987,120.39	5,199,329.61	29,900,143.92
Total Agricultural Experiment Station	—	172,592,841.64	22,246,323.64	141,586,364.22	8,760,153.78	31,006,477.42
Athens and Tifton Veterinary Laboratories						
Federal Funds						
Federal Funds Not Specifically Identified	—	961,349.90	(103,650.10)	961,349.90	103,650.10	—
Other Funds	—	13,054,634.84	1,797,887.84	8,884,368.78	2,372,378.22	4,170,266.06
Total Athens and Tifton Veterinary Laboratories	—	14,015,984.74	1,694,237.74	9,845,718.68	2,476,028.32	4,170,266.06
Cooperative Extension Service						
State Appropriation						
State General Funds	—	50,059,061.00	—	50,059,061.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	11,328,139.76	(1,684,953.24)	11,240,782.32	1,772,310.68	87,357.44
Federal Funds - COVID19						
Federal Funds Not Specifically identified - COVID	—	1,643,125.74	(6,874.26)	1,643,125.74	6,874.26	—
Other Funds	—	33,902,646.73	(6,413,502.27)	26,181,127.52	14,135,021.48	7,721,519.21
Total Cooperative Extension Service	—	96,932,973.23	(8,105,329.77)	89,124,096.58	15,914,206.42	7,808,876.65
Forestry Cooperative Extension						
State Appropriation						
State General Funds	—	1,094,707.00	—	1,094,707.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	942,443.72	(157,556.28)	942,443.72	157,556.28	—
Other Funds	—	1,325,347.78	22,204.78	1,018,618.20	284,524.80	306,729.58
Total Forestry Cooperative Extension	—	3,362,498.50	(135,351.50)	3,055,768.92	442,081.08	306,729.58
Forestry Research						
State Appropriation						
State General Funds	—	3,260,317.00	—	3,260,317.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	5,051,303.64	(228,696.36)	5,035,474.04	244,525.96	15,829.60
Federal Funds - COVID19						
Federal Funds Not Specifically identified - COVID	—	65,081.99	(19,918.01)	65,081.99	19,918.01	—
Other Funds	—	14,657,663.03	1,488,989.03	10,451,542.77	2,717,131.23	4,206,120.26
Total Forestry Research	—	23,034,365.66	1,240,374.66	18,812,415.80	2,981,575.20	4,221,949.86

Marine Institute						
State Appropriation						
State General Funds	—	1,139,006.00	—	1,139,006.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	—	(296,648.00)	—	296,648.00	—
Other Funds	—	1,257,965.59	808,958.59	370,889.78	78,117.22	887,075.81
Total Marine Institute	—	2,396,971.59	512,310.59	1,509,895.78	374,765.22	887,075.81
Marine Resources Extension Center						
State Appropriation						
State General Funds	—	1,760,095.00	—	1,760,095.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	1,282,463.47	(46,036.53)	1,282,463.47	46,036.53	—
Other Funds	—	2,544,646.28	329,921.28	1,987,031.08	227,693.92	557,615.20
Total Marine Resources Extension Center	—	5,587,204.75	283,884.75	5,029,589.55	273,730.45	557,615.20
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—	2,600,000.00	—	2,241,858.64	358,141.36	358,141.36
State General Funds - Prior Year Carry Over	—	2,010,000.00	—	1,614,275.00	395,725.00	395,725.00
Total Public Service / Special Funding Initiatives	—	4,610,000.00	—	3,856,133.64	753,866.36	753,866.36
Skidaway Institute of Oceanography						
State Appropriation						
State General Funds	—	3,193,374.00	—	3,193,374.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	3,742,836.29	(87,163.71)	3,742,308.83	87,691.17	527.46
Other Funds	—	5,820,059.73	(185,855.27)	2,392,572.32	3,613,342.68	3,427,487.41
Total Skidaway Institute of Oceanography	—	12,756,270.02	(273,018.98)	9,328,255.15	3,701,033.85	3,428,014.87
Teaching						
State Appropriation						
State General Funds	—	545,022,628.00	—	545,022,628.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	198,819,787.32	(6,615,212.68)	197,463,932.78	7,971,067.22	1,355,854.54
Federal Funds - COVID19						
Federal Funds Not Specifically identified - COVID	—	1,043,731.92	(6,268.08)	652,934.41	397,065.59	390,797.51
Other Funds	—	1,097,346,713.56	(15,185,140.44)	928,610,620.34	183,921,233.66	168,736,093.22
Total Teaching	—	1,842,232,860.80	(21,806,621.20)	1,671,750,115.53	192,289,366.47	170,482,745.27
Veterinary Medicine Experiment Station						
State Appropriation						
State General Funds	—	5,205,967.00	—	5,205,967.00	—	—
Federal Funds						
Federal Funds Not Specifically Identified	—	1,084,072.16	(77,927.84)	1,026,181.89	135,818.11	57,890.27
Other Funds	—	2,644,728.16	319,728.16	2,161,389.18	163,610.82	483,338.98
Total Veterinary Medicine Experiment Station	—	8,934,767.32	241,800.32	8,393,538.07	299,428.93	541,229.25

Veterinary Medicine Teaching Hospital						
State Appropriation						
State General Funds		805,927.00	—	805,927.00	—	—
Other Funds	—	37,345,425.21	3,757,059.21	32,644,904.30	943,461.70	4,700,520.91
	<hr/>					
Total Veterinary Medicine Teaching Hospital	—	38,151,352.21	3,757,059.21	33,450,831.30	943,461.70	4,700,520.91
	<hr/>					
Total Operating Activity	\$ —	\$ 2,224,608,090.46	\$ (344,330.54)	\$ 1,995,742,723.22	\$ 229,209,697.78	\$ 228,865,367.24
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Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2023 Surplus	Prior Year Adjustments	Other Adjustments
Agricultural Experiment Station					
State Appropriation					
State General Funds	\$ 67,570.43	\$ —	\$ (67,570.43)	\$ —	\$ —
State General Funds - Prior Year Carry Over	1,160,000.00	(1,160,000.00)	—	71,869.54	—
Federal Funds					
Federal Funds Not Specifically Identified	90,925.07	(90,925.07)	—	—	—
Other Funds	26,099,671.18	(26,099,671.18)	—	163,147.65	800.00
Total Agricultural Experiment Station	27,418,166.68	(27,350,596.25)	(67,570.43)	235,017.19	800.00
Athens and Tifton Veterinary Laboratories					
Other Funds					
	3,473,731.31	(3,473,731.31)	—	20,087.01	—
Total Athens and Tifton Veterinary Laboratories	3,473,731.31	(3,473,731.31)	—	20,087.01	—
Cooperative Extension Service					
State Appropriation					
State General Funds	27,758.17	—	(27,758.17)	65,056.40	—
Federal Funds					
Federal Funds Not Specifically Identified	95,929.06	(95,929.06)	—	—	—
Other Funds	5,842,095.63	(5,842,095.63)	—	194,486.93	—
Total Cooperative Extension Service	5,965,782.86	(5,938,024.69)	(27,758.17)	259,543.33	—
Forestry Cooperative Extension					
State Appropriation					
State General Funds	—	—	—	93.41	—
Other Funds	274,970.88	(274,970.88)	—	2,668.20	—
Total Forestry Cooperative Extension	274,970.88	(274,970.88)	—	2,761.61	—
Forestry Research					
State Appropriation					
State General Funds	200,205.39	—	(200,205.39)	891.26	—
Federal Funds					
Federal Funds Not Specifically Identified	17,366.04	(17,366.04)	—	—	—
Other Funds	3,559,493.12	(3,559,436.25)	(56.87)	4,130.36	—
Total Forestry Research	3,777,064.55	(3,576,802.29)	(200,262.26)	5,021.62	—
Marine Institute					
State Appropriation					
State General Funds	2,940.84	—	(2,940.84)	372.35	—
Other Funds	834,142.61	(834,142.61)	—	65.64	—
Total Marine Institute	837,083.45	(834,142.61)	(2,940.84)	437.99	—

Marine Resources Extension Center					
State Appropriation					
State General Funds	1,546.05	—	(1,546.05)	705.60	—
Other Funds	409,627.92	(409,627.92)	—	1,079.16	—
Total Marine Resources Extension Center	411,173.97	(409,627.92)	(1,546.05)	1,784.76	—
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	—	—	—	—	—
State General Funds - Prior Year Carry Over	2,010,000.00	(2,010,000.00)	—	—	—
Total Public Service / Special Funding Initiatives	2,010,000.00	(2,010,000.00)	—	—	—
Skidaway Institute of Oceanography					
State Appropriation					
State General Funds	4,293.60	—	(4,293.60)	7,166.87	—
Federal Funds					
Federal Funds Not Specifically Identified	527.46	(527.46)	—	—	—
Other Funds	3,423,449.34	(3,423,449.34)	—	7,267.21	—
Total Skidaway Institute of Oceanography	3,428,270.40	(3,423,976.80)	(4,293.60)	14,434.08	—
Teaching					
State Appropriation					
State General Funds	485,355.67	—	(485,355.67)	557,667.60	—
Federal Funds					
Federal Funds Not Specifically Identified	1,420,563.63	(1,420,563.63)	—	—	—
Federal Funds - COVID 19					
Federal Funds Not Specifically Identified-COVID	410,125.01	(410,125.01)	—	—	—
Other Funds	161,522,439.26	(161,332,880.23)	(189,559.03)	2,241,837.81	(28,470.58)
Total Teaching	163,838,483.57	(163,163,568.87)	(674,914.70)	2,799,505.41	(28,470.58)
Veterinary Medicine Experiment Station					
State Appropriation					
State General Funds	5,972.26	—	(5,972.26)	1,393.51	—
Federal Funds					
Federal Funds Not Specifically Identified	2,572.68	(2,572.68)	—	—	—
Other Funds	415,690.63	(415,690.63)	—	—	—
Total Veterinary Medicine Experiment Station	424,235.57	(418,263.31)	(5,972.26)	1,393.51	—
Veterinary Medicine Teaching Hospital					
Other Funds	4,588,365.77	(4,588,365.77)	—	1,845,563.67	(1,309,216.04)
Total Veterinary Medicine Teaching Hospital	4,588,365.77	(4,588,365.77)	—	1,845,563.67	(1,309,216.04)
Total Operating Activity	216,447,329.01	(215,462,070.70)	(985,258.31)	5,185,550.18	(1,336,886.62)

Total Operating Activity	\$ 216,447,329.01	\$ (215,462,070.70)	\$ (985,258.31)	\$ 5,185,550.18	\$ (1,336,886.62)
Prior Year Reserves					
Not Available for Expenditure					
Inventories	1,487,000.00				—
Uncollectible Accounts Receivable	1,410,291.54				1,336,886.62
Budget Unit Totals	<u>\$ 219,344,620.55</u>	<u>(215,462,070.70)</u>	<u>(985,258.31)</u>	<u>\$ 5,185,550.18</u>	<u>\$ —</u>

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

**UNIVERSITY OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Early Return of Fiscal Year 2024 Surplus	Excess (Deficiency) of Funds Available Over/(Under) Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Agricultural Experiment Station						
State Appropriation						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State General Funds - Prior Year Carry Over	—	700,000.00	771,869.54	700,000.00	71,869.54	771,869.54
Federal Funds						
Federal Funds Not Specifically Identified	—	406,333.50	406,333.50	406,333.50	—	406,333.50
Other Funds	—	29,900,143.92	30,064,091.57	30,064,091.57	—	30,064,091.57
Total Agricultural Experiment Station	—	31,006,477.42	31,242,294.61	31,170,425.07	71,869.54	31,242,294.61
Athens and Tifton Veterinary Laboratories						
Other Funds						
	—	4,170,266.06	4,190,353.07	4,190,353.07	—	4,190,353.07
Total Athens and Tifton Veterinary Laboratories	—	4,170,266.06	4,190,353.07	4,190,353.07	—	4,190,353.07
Cooperative Extension Service						
State Appropriation						
State General Funds	—	—	65,056.40	—	65,056.40	65,056.40
Federal Funds						
Federal Funds Not Specifically Identified	—	87,357.44	87,357.44	87,357.44	—	87,357.44
Other Funds	—	7,721,519.21	7,916,006.14	7,916,006.14	—	7,916,006.14
Total Cooperative Extension Service	—	7,808,876.65	8,068,419.98	8,003,363.58	65,056.40	8,068,419.98
Forestry Cooperative Extension						
State Appropriation						
State General Funds	—	—	93.41	—	93.41	93.41
Other Funds	—	306,729.58	309,397.78	309,397.78	—	309,397.78
Total Forestry Cooperative Extension	—	306,729.58	309,491.19	309,397.78	93.41	309,491.19
Forestry Research						
State Appropriation						
State General Funds	—	—	891.26	—	891.26	891.26
Federal Funds						
Federal Funds Not Specifically Identified	—	15,829.60	15,829.60	15,829.60	—	15,829.60
Other Funds	—	4,206,120.26	4,210,250.62	4,208,990.59	1,260.03	4,210,250.62
Total Forestry Research	—	4,221,949.86	4,226,971.48	4,224,820.19	2,151.29	4,226,971.48
Marine Institute						
State Appropriation						
State General Funds	—	—	372.35	—	372.35	372.35
Other Funds	—	887,075.81	887,141.45	887,141.45	—	887,141.45
Total Marine Institute	—	887,075.81	887,513.80	887,141.45	372.35	887,513.80

Marine Resources Extension Center						
State Appropriation						
State General Funds	—	—	705.60	—	705.60	705.60
Other Funds	—	557,615.20	558,694.36	558,694.36	—	558,694.36
Total Marine Resources Extension Center	—	557,615.20	559,399.96	558,694.36	705.60	559,399.96
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—	358,141.36	358,141.36	—	358,141.36	358,141.36
State General Funds - Prior Year Carry Over	—	395,725.00	395,725.00	395,725.00	—	395,725.00
Total Public Service / Special Funding Initiatives	—	753,866.36	753,866.36	395,725.00	358,141.36	753,866.36
Skidaway Institute of Oceanography						
State Appropriation						
State General Funds	—	—	7,166.87	—	7,166.87	7,166.87
Federal Funds						
Federal Funds Not Specifically Identified	—	527.46	527.46	527.46	—	527.46
Other Funds	—	3,427,487.41	3,434,754.62	3,434,754.62	—	3,434,754.62
Total Skidaway Institute of Oceanography	—	3,428,014.87	3,442,448.95	3,435,282.08	7,166.87	3,442,448.95
Teaching						
State Appropriation						
State General Funds	—	—	557,667.60	—	557,667.60	557,667.60
Federal Funds						
Federal Funds Not Specifically Identified	—	1,355,854.54	1,355,854.54	1,355,854.54	—	1,355,854.54
Federal Funds - COVID 19						
Federal Funds Not Specifically Identified-COVID	—	390,797.51	390,797.51	390,797.51	—	390,797.51
Other Funds	—	168,736,093.22	170,949,460.45	170,907,030.01	42,430.44	170,949,460.45
Total Teaching	—	170,482,745.27	173,253,780.10	172,653,682.06	600,098.04	173,253,780.10
Veterinary Medicine Experiment Station						
State Appropriation						
State General Funds	—	—	1,393.51	—	1,393.51	1,393.51
Federal Funds						
Federal Funds Not Specifically Identified	—	57,890.27	57,890.27	57,890.27	—	57,890.27
Other Funds	—	483,338.98	483,338.98	483,338.98	—	483,338.98
Total Veterinary Medicine Experiment Station	—	541,229.25	542,622.76	541,229.25	1,393.51	542,622.76
Veterinary Medicine Teaching Hospital						
Other Funds	—	4,700,520.91	5,236,868.54	5,236,868.54	—	5,236,868.54
Total Veterinary Medicine Teaching Hospital	—	4,700,520.91	5,236,868.54	5,236,868.54	—	5,236,868.54

Total Operating Activity	\$	—	\$ 228,865,367.24	\$ 232,714,030.80	\$ 231,606,982.43	\$ 1,107,048.37	\$ 232,714,030.80
Prior Year Reserves							
Not Available for Expenditure							
Inventories				1,487,000.00	1,487,000.00		1,487,000.00
Uncollectible Accounts Receivable				2,747,178.16	2,747,178.16		2,747,178.16
Early Retirement Program (Georgia Health Sciences University)		—	—	—	—	—	—
Budget Unit Totals	\$	—	\$ 228,865,367.24	\$ 236,948,208.96	\$ 235,841,160.59	\$ 1,107,048.37	\$ 236,948,208.96
				Capital Outlay	\$ 6,472,920.46	\$ —	\$ 6,472,920.46
				Departmental Sales and Services	46,720,948.55	—	46,720,948.55
				Indirect Cost Recovery	34,753,047.35	—	34,753,047.35
				Technology Fees	9,404,281.48	—	9,404,281.48
				Restricted/Sponsored Funds	130,060,618.05	—	130,060,618.05
				Carry-Over "Per Governor's Office of Planning and Budget"	1,095,725.00	—	1,095,725.00
				Tuition Carry-Forward	3,099,441.54	—	3,099,441.54
				Uncollectible Accounts Receivable	2,747,178.16	—	2,747,178.16
				Inventories	1,487,000.00	—	1,487,000.00
				Surplus	—	1,107,048.37	1,107,048.37
					<u>\$ 235,841,160.59</u>	<u>\$ 1,107,048.37</u>	<u>\$ 236,948,208.96</u>

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



**UNIVERSITY OF
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